# THE FINANCIAL POST

OF CANADA

*The Canadian Newspaper for Investors*

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## CANADA'S PROSPERITY TO DEPEND ON CLOSE CO-OPERATION IN AIMS AND OBJECTS WITH THE STATES

### Free Exchange of Raw Materials For Manufacturing Coal and Power Necessary for Industrial Activity.

### A PRACTICAL BUSINESS ISSUE OF THE ELECTION

**With Increasing War Demands, the American Government Will First Serve War Industries—If Canada is Not Giving Full Support to Cause Columbia Espouses, Discrimination as Regards Materials is Likely to Result.**

THERE is at the moment no more important issue in connection with Canadian industry and Canadian prosperity than the American Government's attitude on the question of the embargo on raw materials for other than war products. The situation described a week ago has become more critical in the interval.

No effective steps have been taken at Ottawa. The need for close and amicable co-operation with the United States Government and the Priority Board is emphatically evident. The Canadian Manufacturers' Association continues to work on the matter and favors the appointment of a committee of experts to go to Washington in the interests of Canadian industry and to remain there until such time as the situation has been cleared up. But such a committee would necessarily require federal status to co-operate smoothly with the Priority board and the election activity has evidently prevented the matter receiving proper attention at the Capital.

**Relations With United States.**

The enforcement of this embargo has made increasingly evident the necessity of close and friendly relations between Canada and the United States. We are dependent upon the Republic to the south for many essential raw materials and for much of the coal we consume. On the other hand we are supplying American manufacturers with Niagara power and we also have a position of advantage with regard to certain raw materials.

Therefore, despite what may be the national status and relations of the two countries, Canada and the United States are naturally one as an economic unit and business relations on an equitable basis present mutual advantages.

**Aiming at Same Goal.**

But if we are to conduct business relations on a free and easy basis it is necessary, at such a time as this, when we with the other great democracies of the world are straining at a common goal, that we should have similar aims and ambitions and should cooperate in their consummation.

On Monday the Canadian people are called upon to make a decision in the country's affairs. In addition to considering the consequences internally we may well regard what the effect will be externally. The international relations of a young and developing country are of great importance.

Our Southern neighbor, with whom it is desirable that we should be on the closest of terms, has joined the Allies with every intention of straining the national muscles of industry and finance until the great aim is accomplished. The recent declaration of war against Austria is an indication of this.

**War Requirements First Served.**

To this end the American government will conserve all national resources. War needs must first be served. And with Russia out of the conflict the burden upon the United States is going to continue to increase with the progress of the campaign.

The result will be that, with war needs receiving first attention, all normal manufacturing requirements can not be filled. Canadian manufacturers of munitions have received equal consideration with American firms. That treatment will no doubt be continued so long as there is a call for war supplies. But with regard to materials and supplies for manufacture for ordinary consumption a difference may quite well be created.

Canada is hoping that Canadian manufacturers will receive treatment as regards raw materials for ordinary products on the same basis as American concerns. The contention has been raised in some quarters that at the present time such equitable treatment is not being extended, but the FINANCIAL POST is informed by those who have investigated the whole situation that there is no evidence of this. On the other hand, the United States Government is behaving most generously.

The government of Canada must have the same aims and ambitions as the government of the United States if the two countries are to co-operate to the fullest extent in the prosecution of the war and in general business dealings.

**Coal and Power Problem.**

As regards power and fuel, one of the largest Canadian manufacturers has this week written in connection with THE FINANCIAL POST'S editorial last week, calling attention to the possibilities of serious consequences should the United States, by reducing coal shipments, endeavor to retaliate for Canada cutting off supplies of electricity. This company, the second or third largest user of electrical power in the country, says "We would be seriously affected by any reduction in the amount of power allowed us, but if our coal supply should be cut off, we should be in an immeasurably worse position; in fact, it would be out of the question under those circumstances to use any power whatsoever."

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## EXPERT MINDS GET RESULTS

THEY say in New York that the brilliant young hotel manager and financier, J. McE. Bowman, has been remarkably successful in a campaign instituted by him for reducing the consumption of bacon in the hotels and restaurants in the United States. His announcement that he believed he could do so was laughed at by many in the packing and in the hotel business. A few days ago the Armour Company accepted an order from the British Government for sixty million pounds of United States bacon. Armour's general sales manager stated frankly that but for the big reduction in consumption of bacon as a result of Mr. Bowman's work it would have been impossible for the Armours to fill the order. Mr. Bowman is, by the way, a Canadian, a son of the well-known horseman. He is one of a group of hundreds of big business men in the United States who are giving practically all their time to the public service without any cost and are doing wonderful things. In Canada, because of the attitude of a little group of daily and weekly newspapers and professional politicians, who fear the loss of perquisites, the offers of service made by business men have been pigeonholed or ignored by all the Dominion Ministers excepting Sir Thomas White. From the time he took office he has frequently made use of the ablest financiers, with splendid results. The great success of the Victory Loan is due

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### WESTERN SETTLERS.

**Influx of Newcomers from the United States.**

Some interesting figures have been obtained at Regina, from Travelling Boundary Inspector Kramer, regarding the flow of American settlers into Canada during the month of November. Important increases are shown in the following table both as to numbers and value of possessions:

| | 1917 | 1916 |
|---|---|---|
| Settlers | 1,197 | 597 |
| Cars, Effects | 92 | 42 |
| Value, Effects | $163,170 | $58,193 |
| Wealth | $350,357 | $182,251 |

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## BRIDGE BUYS INTERNATIONAL ENGINEERING

### Has Secured Control of 70 Per Cent. of the Stock.

### A SIGNIFICANT DEAL

**Action of Big Construction Concern in Getting Control of Nova Scotia Plant Indicates Marine Development.**

Special to The Financial Post.

An important step has been taken by the Dominion Bridge Company in the development of their marine business in taking over the International Engineering Works, Limited, of Amherst, N.S. This plant has been in operation for a number of years, and at present is engaged in manufacturing stationary boilers and engines for the Imperial Munitions Board, and in addition has large orders for the manufacture of shells. For some time the Dominion Bridge Company has been arranging to go extensively into the making of marine engines, and the acquisition of a plant in full working order will facilitate this purpose. THE FINANCIAL POST understands that the purchase was made by means of securing a block of 70 per cent. of the stock which was controlled by the corporation agencies. Five years ago the latter company had bought the original plant, known then as the Robb Engineering Works, and the bondholders of the Robb Company had been given preferred stock in place of their bonds. The preferred stock of the International Engineering Works, the successors of the Robb Company, amounts to $400,000 and the common to $600,000. The manager of the International Works has been D. W. Robb, of the original company.

The Board of Directors of the new company, as now owned by the Dominion Bridge, is composed of six of the directors of Bridge—Phelps Johnson, G. H. Duggan, F. L. Wanklyn, J. M. McIntyre, H. H. Vaughan, and A. J. Brown, K.C. The new secretary-treasurer is G. W. Cole, who was a director of the old International Engineering Works.

In addition to the 70 per cent. of the stock of the International which was taken over from the corporation agencies, it is understood that a large percentage of the preferred and some more of the common has been secured by Bridge interests.

### PACKERS' PROFITS.

**Cudahy Company Made 2.4 Per Cent. On Turnover.**

The Cudahy Packing Company's annual report showed a margin of 2.4 per cent. profit on the year's gross sales. In the twelve months ended October 27 gross sales aggregated $184,811,000, of which no more than $4,430,529 was saved as profit. The preceding year brought a gross overturn of $133,960,986, and of this $3,011,415 remained after expenses and interest charges had been met.

"The year's volume of business stated in pounds," said President Cudahy, "increased ten per cent. Last year we paid $87,500,000 for live stock; this year, for not more than ten per cent. additional, we paid $129,000,000, an increase of $41,500,000, or nearly forty per cent. increase in all."

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Applications for Government life insurance from the American soldiers and sailors now total $1,032,930,000 from 120,290 applicants. Average amount of insurance asked for is $8-587.

## LINKING UP OF CANADIAN AND U.S. BANKING

### Important Departure of the Standard Bank in New York.

### BIG BANKS CO-OPERATE

**Representative American Financial Interests Form Foreign Banking Corporation Including One Canadian Institution.**

Special to The Financial Post.

NEW YORK.—At a time when Canadian and American finances, politics and economics generally are so close-knit, the announcement in Wall Street this week as affecting the Standard Bank of Canada is of striking interest to Canadian bankers. C. H. Easson, general manager of the Standard Bank of Canada, and A. L. Ripley, new president of the Merchants National Bank of Boston, have been elected directors of the new formed American Foreign Banking Corporation, which formally opened its doors on Wall Street a month ago.

This announcement is chiefly interesting as indicating that the Standard Bank of Canada has become a stockholder in the corporation and will act as its agent and correspondent. It brings to the banking corporation the facilities of its 129 branches in Canada.

The complete significance of the statement is realized by Canadian bankers who see in this move the virtual opening of a New York Agency by the Standard Bank of Canada. So far as is known the Standard is the only Canadian bank which owns stock in the corporation. Twelve U.S. banks are interested.

The entry of another Canadian banking institution into the New York field is further evidence, if evidence were wanting, of the growth of financial relations between the Dominion and the United States of recent years—indeed one may say recent months. The Standard is the second Canadian bank to set up direct ramification in Wall Street this year. In April the Union Bank of Canada opened a New York Agency.

The Standard makes the eighth Canadian Bank to enter the New York field of finance and money. Seven other Canadian chartered banks are already established. These are the Montreal, the British North America, the Commerce, the Royal, the Nova Scotia, the Merchants and the Union. The eight banks will represent $80,491,866 combined capital, or 63 per cent. of the banking capital of the Dominion.

**International Relations.**

It is not difficult to trace some of the more striking and more vital reasons for the further linking up of Canadian and American banking and financial interests. Trade over the international border is approximately $100,000 monthly. To the end of September, 1917, exports and imports had reached a grand total of $918,315,896. Canada had bought 13.6 per cent. of the United States total exports and 12.7 per cent. of the United States foreign buying was done with her neighbor, Canada.

Government and corporate financing by Canadians has been curtailed in this market this year, owing to Washington's decision to restrict all financing other than that destined for America's immediate prosecution of the war. However, nearly six million dollars worth of new Canadian municipals have been floated here—without regard for the consistent absorption of Canadian issues of previous years. The Dominion Government floated a $100,000,000 loan during July last in New York and Canadian or near-Canadian maturities approximating 43 million dollars have been cared for in this market in 1917. In addition, a good deal of quiet investment accumulation of Dominion war bonds goes on here, and it may also be stated that a substantial amount of the Victory issue was taken up on this side though no public drive was countenanced by Washington.

In a direct banking connection there

Continued on page 8.

### U. S. STEEL PRICES.

**Present Schedule Later to be Reaffirmed by Government.**

It is learned on excellent authority that the present schedules for steel prices will be reaffirmed by the Government. The President had previously fixed steel prices with the understanding that they would be subject to review before January 1. At this week's meeting the steel men pointed out that reductions in the present rates, which it is understood had been contemplated, would seriously impair the efficiency of the industry. It is considered almost certain that the Government will allow the present schedules to stand.

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## LICENSES FOR DISTRIBUTORS OF ALL FOODS

### Recommendation to Food Controller Affects All Branches of Trade.

### OTHER STEPS MAY FOLLOW

**Committee Suggests That Business of Manufacturers, Wholesalers and Retailers of Foodstuffs Be Controlled.**

Reports just received from Ottawa, indicate that the committee called by the Food Controller to outline methods which may be adapted to the food distributing activities have recommended a policy that will mean some very drastic changes in existing conditions. The suggestions which will be presented to the Food Controller this week call for the licensing of all departments of the food distributing trades and the defining of definite terms of the actual meaning of "manufacturer," "wholesaler" and "retailer," so that there may be no overlapping in the activities of these different agencies. The proposals also tend to discount the enlargement of the retail trade, and suggest certain regulations before a license will be granted.

The committee in charge of this matter was composed of Z. Hebert, Montreal; Hugh Blain, Toronto; H. C. Beckett, Hamilton; H. Bruce Gordon, Winnipeg; R. Kelly, Vancouver, and P. B. Tustin of the Food Controller's Department. This committee has been in conference with other committees representing the manufacturing wholesale and retail elements of the trade, has discussed the plan as it affects these various interests, and has received hearty co-operation. The proposals that go to the Food Controller for sanction represent the united opinion of all the branches of the trade.

At the moment these proposals represent the food handling trades only, but there is every indication that this is but the first step, and that if this plan is successfully launched there will unquestionably be some similar action taken with a view to systematizing, and so saving unnecessary waste in other lines of activity. The main points in the program to be presented for the Food Controller's approval are about as follows:

**Licenses For All.**

Every manufacturer, wholesaler and retailer will be licensed, this license to empower them to conduct activities along the defined line of the department to which they belong. No wholesaler, for instance, as such, would be permitted to sell direct to the consumer, save in the case of hotels and restaurants. If the wholesaler so desires he might also on the payment of a small fee and on giving certain undertakings be granted a retailer's license. This license number, however, as well as his wholesale license number must in such a case appear on all his stationary, letter heads, bill forms, etc. In this way it is made perfectly patent and above board the kind of business that the firm is doing.

This license according to the proposals of the committees of the various branches of the trade would also prohibit the selling by manufacturers at cut rates to large mercantile activities. The manufacturer under the conditions drafted to be presented to the Food Controller's department would not be prohibited from selling direct to the retailer if he so desired; but he would be required to sell at a figure not lower than he would be willing to sell the same quantity of

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## WHEAT SURPLUS 1917: U.S. CROP 139 MILLIONS

### Total Field Crop Value Placed at Twenty-one Billions.

### MANY DAIRY HERDS SOLD

**Hog Production Being Increased—Farmers Lose in Calgary Strike—Alberta's Wheat Embargo.**

By F. M. CHAPMAN,
Editor, "The Farmer's Magazine."

The United States field crops are worth this year $21,000,000,000. This immense total is the estimate given out this week. The revised estimates of the Department of Agriculture show little divergence from the totals of the leading field crops given in THE FINANCIAL POST in its issue of December 1st. The main factor in the grain trade is transportation. The wheat surplus of the United States is estimated by the Trade Bulletin at 139,000,000 bushels. Exports of flour and wheat for five years ending July 1, 1914, averaged 105,000,000 bushels, while in 1915 they were 333,000,000. On the basis of the present estimated surplus there is 34,000,000 more than pre-war average for five years, of which 37,000,000 already have been exported. The aggregate supplies this year are 699,000,000 bushels, including a carry-over from 1916 crop of 48,000,000.

The situation in Canada has changed little during the week. The heavy snowfall has prevented much movement of supplies from the farms, but threshing is getting fairly well cleared up. The Marquis wheat produced in Ontario this year has been of splendid quality and sample.

Several large sales of livestock have taken place during the week, and big prices have resulted, especially in shorthorn breeding stock. There seems a marked tendency to go out of dairy herds and to go into hogs in many sections. Several big dairy herds in Ontario went under the hammer this week, with the announcement that their owners were going into pork production.

The propaganda for increased pork production is having its effect. Nevertheless there is severe local irritation around Calgary in Alberta owing to the recent strikes in the works there, when farmers lost anywhere from $30,000 to $50,000 in the hold-up.

A despatch from Winnipeg says: At the request of the Board of Grain Supervisors of Canada the Canadian Pacific Railway have placed an embargo on the movement of wheat to Fort William over their lines in Alberta. All movement of wheat on their lines now on in the Province of Alberta will be to mills only.

The territory covered by this embargo feeds mills at Medicine Hat, Maple Creek, Lethbridge, Macleod, Calgary and vicinity, as well as smaller mills at more interior points.

Practically all of these mills have contracts for Britain and the allies. For some time the Board of Grain Supervisors have been making very careful investigation as to the amount of wheat still in the country, and have concluded that if contracts are to be met and domestic requirements supplied no more wheat must go off C. P. R. lines in Alberta.

### WORTH WATCHING.

**Have you been noticing the progress of THE FINANCIAL POST? During the year now closing it has, by its increase in size, been carrying over three pages more contributed and news matter than previously. THE POST is receiving continually, moreover, written and spoken evidences that the quality of THE POST'S service was never more appreciated. For example, for the last week reported, new subscriptions came from every province in Canada except P.E.I., and particularly from Ontario and Quebec, from the United States, and from as far away as New Zealand. The list included some of the big business executives of Canada, manufacturers, Stock Exchange members, bankers, investors, etc.**

**And the renewals for the week were over 98%, even more striking evidence of reader approval.**

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Edward C. Pratt, General Manager

# NEWS OF SECURITIES—To Revise Minimums

CONSIDERATION of a revision of the present official minimums, with the probability that action in this connection will be taken in the near future, is about the only development of the week in Canadian stock trading and investment circles worthy of special comment. Information to THE FINANCIAL POST is that a revision as suggested is almost unanimously favored by the profession in Toronto, but that there is opposition in certain quarters in Montreal where the present situation was created. The large number of stocks which are evidently suspended at the present official figures are pointed to by those favoring a revision as an indication that a further readjustment is natural, and that little is to be gained by sustaining false values. Also it is pointed out that the effect of the minimums is to force trading into other channels, and that this business might just as well be done on the exchange. On the other hand, defenders of the present prices take the stand that the present depression is due to a scare rather than to a warranted readjustment, and that in view of the state of the public mind a measure of protection is warranted.

So far as the trading of the week is concerned, the market has continued in a state of near inertia. The minimums have prevented a reflection of conditions which have influenced further depression in New York. Generally speaking, war developments may now be regarded as the dominant influence in the situation, and the increase in the number of submarine losses, the heavy attack on the Western front, and the Russian situation have served to further incite public apprehension. While lower prices are anticipated temporarily as unfavorable war news continues, the opinion of reliable students of the market is unchanged that good stocks generally are cheap and will benefit the investor who is prepared to hold.

## STEEL

### Market Dull and Easier—Shortage of Steel Continues to Restrict Manufacturing.

By P. BAIN, M.E.,
Editor Canadian Machinery.

The market has been steady all the week with trading light and price changes narrow. An easier tendency developed latterly and in one or two cases there have been slight declines. They have, however, no particular significance. It is unlikely that there will be any important change in values for some time as the International situation is such that a general upward movement is improbable and a decline in value is out of the question as practically all the steel stocks are now at the minimum price. The speculative feature seems to be entirely absent from the market, what buying there is being more of an investment character. For this purpose prices of steel stocks are now attractive.

There have been no developments of importance in iron and steel markets during the week. There is a general complaint concerning the shortage which appears to be affecting everybody in the trade, merchant and consumer alike. What will eventually happen is difficult to say but the situation is getting more acute as time passes. It is becoming more apparent that little relief may be looked for in regard to supplies of iron and steel from the United States, for even consumers in that country are experiencing considerable difficulty in obtaining steel for purely domestic purposes. This being so, consumers in Canada can hardly expect preferential treatment, except when the material is required for war purposes. The outlook for the manufacturing consumer is not at all encouraging because the demand for steel for war purposes is getting heavier all the time and the result will be that manufacturing operations will become even more restricted than at the present time.

The Canadian steel companies continue to enjoy prosperity and have plenty of business on hand. Considerable of this business is for munitions and other war purposes with the result that consumers not engaged upon war work are finding it difficult to get material as quickly as they would like. There have been no price changes announced during the week and the market continues firm.

The fixed price schedule in the U.S. comes up for revision in January, but it is understood that no changes will be made from the prevailing levels. The continued decline in new business in the States is shown in the further decrease in the U. S. Steel Corporation's unfilled tonnage. The unfilled orders of the corporation on November 30 last were 8,897,106 tons, representing a decrease of 112,569 tons as compared with the orders on October 31.

| | Close, Dec. 6 | Close, Dec. 13 | Change |
|---|---|---|---|
| Can. Car ....... | 18½ | 18½ | .. |
| Do., pref. .... | 49½ | 49½ | .. |
| Can. Loco., com. | 58 | 58 | .. |
| Do., pref. .... | 89½ | 84½ | — 5 |
| Gen. Elec. ...... | 101½ | 101½ | .. |
| Dom. Bridge ... | 128 | 128 | .. |
| Dom. Iron, pr... | 88 | 88 | .. |
| Dom. Steel .... | 52½ | 52 | — ½ |
| N.S. Steel, com.. | 79½ | 66 | —13½ |
| N. Stl. Car, pr.. | 17 | 17 | .. |
| Stl. of Can., com. | 50 | 49½ | — ½ |
| Do., pref. .... | 85 | 84½ | — ½ |
| Rus. Motor, com. | 50 | 50 | .. |

### CANADIAN LOCOMOTIVE.

Canadian Locomotive Co. has been very quiet lately and the stock has been on the minimum price basis for several weeks. At the meeting last Saturday the directors declared quarterly dividends of 1½ per cent. on the common stock and 1¾ per cent. on the preferred, both payable January 1. The present standing of the stock is, common 58 and preferred 84½.

### DOMINION STEEL.

The directors of the Dominion Steel Corporation have donated $50,000 towards relief work at Halifax. President Mark Workman states that this is only a preliminary measure on the part of the Corporation, and that if the Halifax sufferers require further assistance the Steel Corporation will see that they get it. The directors have declared the regular dividend of 1½ per cent. on the preferred stock of the corporation for the quarter, and of 3½ per cent. on the preferred stock of the Dominion Coal Company for the half-year.

### STEEL OF CANADA.

The Steel Co. of Canada stock continues to sell at a relatively low level. Nevertheless, conditions are steadily improving at the Hamilton plant. Not only is the company understood to be earning surplus profits well in excess of current dividends on preferred and common stock, the latter being at the rate of six per cent. per annum, but the plant has been extended recently at a cost of $150,000, in order that the management may handle the increasing business. It is natural to expect that Steel of Canada issues would share substantially in an upward movement in the market should such develop.

### DOMINION BRIDGE.

The Dominion Bridge Co. has extended its activities in marine work by manufacturing marine boilers and will later take up the manufacture of steam turbines. The company has obtained a controlling interest in the International Engineering works at Amherst, N.S., and will carry on the business as a subsidiary. The concern which was formerly the Robb Engineering Co., will shortly revert to its original name. The management of the Bridge Co., contemplate installing a forging plant for marine and other work which if proceeded with will considerably increase the scope of the concern's activities. Both the Dominion Bridge and St. Lawrence Bridge are working on 6 inch shell contracts, while the former have also an initial order for 50,000 American 75 m.m. shells. Bridge stock is steady and unchanged at 128.

### ALGOMA STEEL.

Algoma Steel Co., the most important subsidiary of the Lake Superior Corporation, is rapidly overcoming the labor and material difficulties which have hampered deliveries to a certain extent, the situation in both being materially proved. The output of steel ingots for the first eight days of December was at the rate of 50,000 tons per month. In the last annual report President Cunningham stated that with the completion of a third open hearth furnace of 75 tons capacity there would be possible production of about 50,000 tons of ingots per month. The directors consider that they have now provided for all the steel-making capacity necessary for some time to come.

### NOVA SCOTIA STEEL.

Nova Scotia Steel & Coal Co. stock has been very quiet lately, quotations being more or less stationary at 66, the minimum price. The contemplated improvements and extensions to the various properties will, it is understood, involve an outlay of about $41,000,000. It had been intended to launch before the year-end the second of the ocean freighters built and building at the Trenton plant, but latest advices point to a postponement until early in the new year. Good progress is being made with construction of the triple expansion engines for vessels No. 2 and 3.

### NATIONAL STEEL CAR.

The National Steel Car Co., is likely to come in for a share of the orders for 75 mm. shell being placed by the United States Government. Negotiations to this end are now under way and give every promise of a successful issue. The company's plant is well equipped with orders, and some of the difficult problems with which the concern has been confronted during the past year or so have been cleaned up. The plant is still working on contracts for 6-inch shell for the Imperial Munitions Board as well as upon foreign car orders and will begin delivery of the Canadian Government order for a thousand cars before a great length of time. It will be recalled that the company was unfortunate in 1916 in the filling of orders taken by it for cars for the French Government, so much so that up to the present, no financial statement for that year has been presented. The fiscal year 1917 closed on the 30th November, and while it is naturally too early to look for any details of the result of operations, the prediction is made that these will be satisfactory to shareholders when they are published.

### FOUNDRIES AND FORGINGS.

The four plants of the Canada Foundries & Forgings are working almost to capacity, both on war orders and on ordinary business. The company recently obtained an order for 500,000 shell from the United States. The first delivery was to be made on December 15th; delivery was given a month ahead of time and as a result the company obtained another order for 500,000 shell. The Brockville plant has enough business to keep it going until May 1st, 1918, and the two Welland plants have orders which will keep them busy until January 1, 1918. While turning out war orders, domestic and export trade have not been neglected, a certain percentage of equipment being kept available for regular customers. A good business is being done in regular lines as well as in munitions, export trade is being developed and numerous shipments have already been made to Great Britain, New Zealand, and Australia. The company is turning out a large quantity of ship forgings for Canadian yards.

### CANADIAN CAR.

There is a revival of bullish talk in local financial circles on Canadian Car & Foundry. It is stated in reliable quarters that a dividend on the preferred stock will be declared very shortly, in fact before the end of the year. It is understood that while the final settlement had been already made with the Russian Government in connection with the big shell order, there remained the details in connection with sub-contracts, scrap and salvage. These have now been cleared up with the exception of a couple of relatively small affairs and expectations are that the return to the company will be much more profitable than at first anticipated. Car orders completed recently have added a couple of million dollars to the Russian order profits and this total with the surplus carried into 1917 gives the company at the present time a very substantial surplus from which to resume the dividends on the preferred stock, a seven per cent. distribution on which would require $525,000. The company is understood to have enough work on hand to keep the plants fully occupied for several months. It has been stated that the company has six times the volume of work on the books that it had in 1915 and it is reported to be all profitable work. Canada Car stock has been stationary for some time at 18½ for the common and 50 for the preferred.

## PULP AND PAPER

### Trading This Week Confined to the Stock of a Single Pulp and Paper Company.

By W. A. CRAICK.

Never before in the history of the pulp and paper group of securities, has trading touched so low a point. With the exception of a few shares of Brompton Pulp and Paper, not an issue was dealt in during the week. This state of affairs is simply the culmination of weeks of inactivity, during which movement has become less and less noticeable. The establishment of the minimums, the Victory Loan campaign and the impossibility of obtaining money for speculative purposes have all contributed to bring about this condition.

| | Close Dec. 6 | Close Dec. 13 | Change |
|---|---|---|---|
| Laurentide ..... | 152 | 152 | ... |
| Riordon ...... .. | 117¼ | 117¼ | ... |
| Spanish, com. .. | 13 | 13 | ... |
| Wayagamack ... | 50 | 50 | ... |
| Brompton ...... | 39¼ | 39 | — ¼ |
| N. A. Pulp ..... | 2⅞ | 2⅞ | ... |
| Price Bros. .... | 120 | 120 | ... |

On Wednesday afternoon, in accordance with the agreement between the manufacturers of newsprint and the Federal Trade Commission arrived at on November 26, the Newsprint Manufacturers' Association was formally dissolved. Concurrently five of the six manufacturers, who were indicted for violation of the Sherman anti-trust law, pleaded nolle contendere and paid small fines. Following the dissolution, however, a committee of five manufacturers was appointed to reorganize the Association on lines that would be agreeable to the federal laws and the regulations of the Federal Trade Commission. J. A. Bothwell, general manager of the Brompton Pulp & Paper Co., is a member of this committee.

There has been no change in the Canadian situation since last week. In connection with the book paper situation it is understood that some of the manufacturers have been offering the larger publishers a reduction of 1½ cents a pound on condition that further investigation is called off, while some of the smaller publishers have already received a material reduction in the price they have been paying for supplies.

Following the signing of the agreement in New York on November 26, under which newsprint manufacturers were bound to offer paper to their customers under the terms of the agreement, it has developed that the manufacturers are offering alternative contracts. One contract places the price at the stipulated 3 cent rate but provides for a year's supply, the publisher waiving his rights under the agreement; the other is under the terms of the settlement as agreed upon and signed. Manufacturers are of course quite within their rights in offering the first form of contract, for the agreement provided that each customer had the right, if he so desired, to make an independent contract, upon written request by the manufacturer concerned made to the Attorney-General and consented to by him.

If it should be decided by the Federal Trade Commission that the interim rate of 3 cents, in effect until April 1, should be named as the fair price for the duration of the war, or if a higher figure than 3 cents should be named, then publishers making independent contracts for the year at 3 cents would lose nothing by the arrangement. But the American Newspaper Publishers' Association does not view it in that way and contends that there will be no justification for even a 3 cent rate, considering that the prices of materials entering into the manufacture of paper will be regulated also. It therefore urges its members to make no contract for a year's supply of paper at a higher price than $2.85 f.o.b. mill, except as provided for under the terms of the New York agreement.

### RIORDON.

Serious difficulties in connection with transportation are retarding export of sulphite pulp from the Riordon Pulp & Paper Co. to the United States, according to T. J. Stevenson, sales manager. This may ease up a little almost at once, with the shipment of grain stopped by the Halifax disaster. Improvement is expected also to result from the conference at Washington a few days ago between the Canadian railway representatives and those of the United States, looking to a more rapid return of Canadian cars that have been sent over. A large shipment was made by Riordons this week for overseas use.

Three new directors have been added to the board of the Riordon Co.: Thos. E. Warren, manager of the Ticonderoga Pulp & Paper Co., now controlled by Riordons, in place of the late F. W. Avery of Ottawa; C. B. Horne, manager of the Hawkesbury mill, and F. B. Whittet, secretary-treasurer of the company. The latter two appointments meant the increase of the board from 7 to 9 members.

The regular quarterly dividend of 1¾ per cent. on preferred was declared this week, payable Dec. 31 to shareholders of record Dec. 18.

The regular quarterly dividend of 1¾% on the preferred stock of the company, payable December 31 to shareholders of record December 18, was declared during the week.

### PROVINCIAL PAPER.

Provincial Paper Mills Company have declared the regular quarterly dividends on both preferred and common, the former at the rate of 7% per annum, and the latter 4% per annum. Both are payable on January 2 to shareholders of record December 15.

### BROMPTON.

The date of the annual meeting of the Brompton Pulp & Paper Co. has not yet been definitely announced, but it will be held in January. It is expected that shareholders will be well pleased with the statement to be presented.

The company issued a statement covering the first half of the year, in which profits were shown as $666,537, and surplus, after all allowances, including dividends on common stock, was shown of $326,274. This did not include $115,000 set aside for contingency. For the half year, the earnings worked out at somewhat better than 7 per cent., so that if this were maintained during the second half of the year the earnings applicable to common stock would run between 14 per cent. and 16 per cent.

### NORTH AMERICAN.

Discussing the announcement that the Tidewater Paper Mills Company, a subsidiary of North American Pulp & Paper, located in Brooklyn, N.Y., has been sold, the Curb News, published by Jones and Baker, New York, says that inquiry at the Philadelphia offices of the North American Pulp & Paper Company failed to throw much additional light on the subject. The amount involved is said to be between $600,000 and $750,000.

It is not known just what consideration prompted the North American Pulp & Paper Company officials to dispose of the Tidewater Company, the only one of the company's subsidiaries engaged in the manufacture of paper. It is supposed, however, that the management found the production of pulp and lumber, in which its greatest assets lie, more profitable, and decided to devote its entire attention, for the present, to the pulp and lumber business.

The reported earnings of the North American Pulp & Paper Company, amounting to $1,019,324 for the nine months ended September 30, bear out previous statements of an official nature to the effect that business and earnings of the company have been steadily increasing during the past few months. For the six months ended June 30, 1917, operating profits amounted to $632,106. Deducting this amount from the earnings reported for September 30 leaves $387,218 for the July, August and September period, as compared with an average of $316,053 for the previous two quarterly periods of the year, or an increase of about 18 per cent.

At the time the earnings statement for the first six months of the year was made public it was said that after deduction of bond interest and sinking fund requirements there was left a balance of $262,510.

### ABITIBI.

The Abitibi Power & Paper Co. continue to find a market in the United States for all their available supply of paper, and are not attempting to find any market overseas. There has been little change in the shipments across the border for the last few months and prices remain at 3 cents, as under contract. The quarterly dividend of 1¾% on preferred was declared this week, payable Jan. 2 to record of Dec. 20.

## MINING STOCKS

### Transactions Still at a Low Level With Prices Tending to Weakness in Most Issues.

Last week's slight improvement in the volume of trading on the Standard Exchange was not continued this week, the daily average being back to 50,615 shares. There were few bright spots. The best showing was made by Nipissing, which reflected the dividend announcement by advancing to 8.55. McIntyre was better for a time on news of favorable developments at the mine, but the rest of the list was pretty dead. The daily sales were as follows:—

| | Transactions in shares | Bar silver per oz. |
|---|---|---|
| Friday, Dec. 7.... | 52,242 | 85⅝c |
| Saturday, Dec. 8... | 45,627 | 85⅝c |
| Monday, Dec. 10... | 39,200 | 85⅝c |
| Tuesday, Dec. 11.. | 66,400 | .... |
| Wednesday, Dec. 12 | 51,805 | .... |
| Thursday, Dec. 13. | 48,419 | 85⅝c |

Changes in price, for the more

prominent issues, are indicated in the next table:—

|  | Dec. 6 | Close Dec. 13 | Change |
|---|---|---|---|
| Adanac ....... | .12½ | .10 | —.02½ |
| Beaver ....... | .30 | .27 | —.03 |
| Dome ....... | 6.80 | 6.80 | .. |
| Dome Ex. .... | .09¼ | .09½ | +.00¼ |
| Hargraves .... | .08⅞ | .08⅝ | —.00⅛ |
| Hollinger .... | 5.00 | 4.85 | —.15 |
| McIntyre ..... | 1.38 | 1.38 | .. |
| Nipissing .... | 8.00 | 8.30 | +.30 |
| Vipond ....... | .21 | .20 | —.01 |
| Timiskaming.. | .26 | .27½ | +.01½ |
| Newray ...... | .45 | .39 | —.06 |
| West Dome .. | .14 | .14 | .. |

At a meeting of the members of the Standard Exchange held this week, it was decided by a vote of 15 to 2 not to establish any restrictions on trading but to continue the present free market.

Last week's ore shipments from the Cobalt camp were below the average on account of the cold weather, which made it difficult to handle the ore from the surface dumps. Six cars went out loaded with 407,910 lbs. These were shipped from the following mines:—

|  | Cars | Pounds |
|---|---|---|
| McKinley-Darragh ....... | 2 | 167,761 |
| Dominion Reduction...... | 1 | 82,220 |
| Kerr Lake ............... | 1 | 60,647 |
| Penn-Canadian ........... | 1 | 55,768 |
| Trethewey ............... | 1 | 41,521 |
| Totals ................... | 6 | 407,910 |

The Nipissing was the only bullion shipper, despatching 39 bars, containing 50,508 ounces, valued at $44,952.

During the month of November ore shipments consisted of 53 cars, containing 4,095,421 lbs., contributed by 14 companies.

### KERR LAKE.

Kerr Lake's production in November was 205,522 ounces of silver, as against 213,802 ounces in October and 210,388 ounces in September. During the first eleven months of the current year the mine has more than held its own, the total production being 2,396,297 ounces, as against 2,345,740 ounces in the corresponding eleven months of 1916. With this record behind it, the company has been well able to maintain its dividend rate of 20 per cent. for the current year, and have a nice surplus in current assets.

There has been no trading in Kerr Lake shares this week.

### McINTYRE.

Favorable reports from the mine have exercised a beneficial effect on McIntyre stock this week. On the 800, 900 and 1,000-foot levels, rich ore is being developed, the values obtaining being considerably higher than in other portions of the mine. It is at the 1,000-foot level that the main development is taking place and the mine is rapidly adding to its reserves. Extensive diamond drilling is also being carried out on the property with good results. It is anticipated that production from the mill during December will create a record for the company.

McIntyre shares touched 1.40 on Tuesday, sold back to 1.35 on Thursday and closed at 1.38.

### NIPISSING.

A five per cent. dividend and a five per cent. bonus have been declared by the Nipissing Mining Co., payable Jan. 21 to shareholders of record, Dec. 31. This disbursement will amount to $600,000. During 1917, the company paid dividends of 30%, or $1,800,000. It has now paid its shareholders a total of $17,740,000, thereby leading every other precious metal mine in the Dominion.

During November, ore of an estimated value of $305,572 was mined and products from the Nipissing and customs ore of a value of $331,196 were shipped. Underground operations for the month continued favorable. The high grade mill treated 170 tons and shipped 373,674 fine ounces of bullion. The low grade mill treated 6,753 tons.

For the eleven months ended November 30 the following is a summary of the performances of the Nipissing:—

|  |  |  |  |
|---|---|---|---|
| Jan. .... | $172,983 | July .....$ | 272,490 |
| Feb. ..... | 271,527 | Aug. .... | 293,116 |
| April ..... | 259,082 | Sept. .... | 349,258 |
| March ... | 256,953 | Oct. ..... | 306,167 |
| May ..... | 261,663 | Nov. .... | 305,572 |
| June .... | 269,469 |  |  |
|  |  | Total ...$ | 3,018,280 |

Nipissing shares moved up to 8.55 on Tuesday but later weakened to 8.20, closing on Thursday at 8.30.

### TEMISKAMING.

Opposition to the proposal made by the Beaver Consolidated that the Temiskaming Mining Co. should secure an interest in the Kirkland Lake Gold Mines has again developed. Max Morgenstein of New York, spoken of as the largest shareholder in Temiskaming, has addressed a letter to the shareholders urging them not to agree to the proposal of the directors to acquire a half-interest in the Kirkland Lake property. In part, the circular says:—

"The large owners of shares in our company are to-day, if anything, even more strongly opposed to the present form of the deal, although the offer is 10c. per share cheaper for a larger block of stock than the shareholders were offered last February.

"Why are our directors so exceedingly anxious to resurrect the most odious deal ever attempted to burden stockholders with, particularly so by men who have now materially less financial interest in our company, which interest at no time was very large? These same directors are identical in both companies, which are to be the purchasers and sellers in this proposed deal. Is it possible that the selling company is in such dire financial straits to handle its new acquisition, the Kirkland Lake Company as to require outside financial assistance?

"Our company is under no obligation to do so. The large shareholders do not see any foundation to change their position in this matter from last February for reason of the fact that the deal has been clothed in a new suit. Detailed information of cost of property to the selling company and various other important knowledge has still been kept from us by the management. A transaction of such magnitude should never be considered, except upon the recommendation of a high-class engineer, selected by most of the shareholders financially interested in our company.

"Surely the present management does not deserve our support now while the annual meeting is only about two months distant, when beyond question of a doubt a new board of directors will be elected."

Mr. Morgenstern charges that the reports of Engineers Neilly and Mutch show President Culver to have been at fault in his estimate of the amount of broken ore and tailings, and that the mill production figures show poor management. He encloses proxy forms with the circular.

The meeting of Temiskaming shareholders to decide the issue is to take place on December 28. Meanwhile mining men who are interested in the Temiskaming are said to be unanimous in their opinion that the Beaver proposal should be accepted.

Temiskaming stock opened the week at 27¾, sold up to 28, and reacted to 26½, closing on Thursday at 27½.

### CONSOLIDATED SMELTERS.

The regular quarterly dividend of 2½% for the quarter ending December 31, 1917, payable January 2, to shareholders of record December 15, has been declared by the directors.

### LUCKY JIM.

The investigation into the affairs of the Lucky Jim Mining Company, as conducted during the receivership of A. G. Larson, is said to have revealed the fact that stock to the extent of $2,000,000 was issued in excess of the authorized capital, which is one of the most flagrant instances of mine high financing in the province of British Columbia. Mr. Larson has succeeded in paying off all the floating indebtedness of the company in addition to reducing the $35,000 mortgage to $5,000. It is thought that the mortgage will be wiped out in another six months if the present shipping record of $15,000 of ore per month is maintained. Ultimately the company will probably be wound up and another company formed, in order to clear up the capitalization situation.

## MILLING

### Trading Continues Light—Transportation Difficulties Affect the Flour Markets.

The milling situation during the week has been materially affected both by the disaster at Halifax that closed one of Canada's great shipping gateways and and the storms that followed that have succeeded in complicating a rail situation that was already far from satisfactory. Embargoes placed on shipments by way of the C.P.R. to protect the supply of wheat for Alberta mills have also had effect. There is no embargo on C.N. R. shipments but the pronounced car shortage on that line amounts to the same thing. There is also an embargo on mill feeds for shipments east of Fort William that still further complicates the situation, with the result that the immediate business of the milling companies is showing somewhat of a decline. This, however, is merely the result of outside conditions that are always more or less in evidence at this time of year, and does not indicate any falling off in business demand.

Trading in all milling securities during the week had been of an unusually light order. Despite gilt-edged profits these stocks seem to have been left outside the list of speculative war stocks. This may be due to a lack of interest, it may be due on the other hand to the fact that the holders of these stocks have been slow to part with them, considering them about as good an investment as could be made. This theory would seem to be born out by the steady figures that have been maintained during the past year. The variation between the high and the low figures has been only a matter of a few points. The reports of large dividends provided about the only speculative interest, and this was soon past and the stocks almost immediately settled down into the sober means of the general year's trading.

### CANADIAN CEREAL.

The Canadian Cereal and Flour Mills Co. has recently been strengthened by the absorption of the McLeod Milling Company of Stratford. A. C. McLeod of the latter firm will become the manager of the re-organized firm. The company has now a 500-barrel mill at Galt, a 500-barrel mill at Tillsonburg, another of similar capacity at Stratford and a 250-barrel mill at Ayr, in addition to a rolled oat mill of 500-barrel capacity and a 200-barrel split pea and barley mill at Tillsonburg.

### WESTERN CANADA FLOUR.

The business of the Western Canada Flour Mills Company has been of a very satisfactory character during the past year. About the only difficulty noted has been the result of a shortage of cars for handling shipments. This, however, has never become a very serious matter.

J. E. Macfarlane, manager of the company who has just returned from the West states that car shortage and the heavy snow is proving a serious obstacle to the Eastern movement of grain.

### OGILVIE FLOUR.

There was a moderate activity in the stock of Ogilvie Flour Mills during the past week. This activity showed no variation from the figure that has prevailed in the stock of this company for the past couple of months. The price is considerably below the mean for the year, a rather surprising state of affairs considering the very substantial dividend declared and the reasonable assurance that the coming year's business would not be far behind that of the previous year. There was no trading in the preferred, the last recorded sale being made at 110.

### MAPLE LEAF.

The trading in the securities of the Maple Leaf Milling Company was anything but brisk during the past week, indeed it stood as almost the record week for light trading during the year. The stock showed a slightly weaker tendency at 93 for the common, the lowest recorded figure for the year. There was no trading in the preferred, the last selling price being at 92.

### SHREDDED WHEAT.

There has been a good deal of curiosity as to what action the Food Controller would take with regard to the products of the Shredded Wheat Company. The delay in notifying manufacturers of wheat products of the granting of licenses, after licenses for other products had been issued, gave color to the supposition that other treatment was in store for such manufacturers. THE FINANCIAL POST has, however, been informed by Mr. Slade, sales manager for Canada, that a wire had been received over the signature of the Food Controller that the company's application to continue manufacture as heretofore has been granted. This will undoubtedly mean an immediate rush of business to the company, because both jobber and retailer have been cutting their buying to the minimum during past weeks.

### ST. LAWRENCE FLOUR.

The St. Lawrence Flour Mills Co., whose stock will shortly be listed, continues to secure all the business, according to a statement of the President, T. Williamson, that it can handle. There is, of course, a heavy seasonable demand from the bakers at this period of the year, but it is believed that a part of the orders that are coming in are the result of a policy of loading up in anticipation of changes in the standard of flour that may be introduced. There is no lessening in the buying on the part of the Wheat Export Co., acting for Great Britain at Ottawa.

### LAKE OF THE WOODS.

The 20-lb package order of the Food Controller has bothered the Lake of the Woods Milling Co so little that so far no application even has been made for a license to use the smaller package. This, however, is likely to be done before the time expires as a certain publicity to the brands of the company is secured by the sale of the smaller bags. Reports show that business on hand is keeping the mills working to capacity, as they have for months past, with the supplemental orders received for export. There was no change in the feeling toward the stock during the week, the price remaining at 120¼ for the common. There was no trading in the preferred.

## TEXTILES

### Trading Very Light—Further Increases in All Cotton Goods Indicated.

By H. H. BLACK.

The trading in textile securities was even lighter this week than last, and was limited to a single share of one stock, and a handful of another. The prices in the one case remained at minimum, and in the other rose ¾ point and dropped again.

In the case of most of the textile mills, the present season, not only because it is approaching the holiday, but is in between buying seasons anyway, is dull, and there is little indication of the attitude of the jobber and retailer towards the mills. In the knitted goods mills samples are nearly ready for next fall and the beginning of the new year will see travellers out on their rounds. Offerings in some cases have been made to the wholesale trade already, and so far as reported orders are larger than were anticipated a couple of months ago. Since then, however, the general situation has changed: peace prospects do not look nearly as bright, and the jobber and retailer generally have decided that they must be prepared for prices going up still higher instead of declining. It is likely, in view of this, that not only in woolens, but in cotton goods, the advance orders for the new season will average even higher than they did for the coming spring.

An unexpectedly low estimate of the available cotton from the 1917 crop, under 11,000,000 bales, issued this week at Washington, carried cotton to the highest point yet, over 31 cents for spot. This in itself suggests further increases in all cotton goods.

|  | Close, Dec. 6 | Close, Dec. 13 | Change |
|---|---|---|---|
| Can. Cot., com.. | 48½ | 48½ | .. |
| Do., pref. .... | 76 | 76 | .. |
| Dom. Tex., com. | 80¾ | 80¾ | .. |
| Do., pref. .... | 100 | 100 | .. |
| Mon. Knit., com. | 30 | 30 | .. |
| Mon. Cot., pref. | 100 | 100 | .. |
| Penmans, com. . | 65 | 65 | .. |
| Do., pref. .... | 81⅞ | 81⅞ | .. |

### BELDING-PAUL-CORTICELLI.

With the end of the year of Belding-Paul-Corticelli, Limited, falling on Nov. 30, it can be said that the business for the year 1917 ran a fair amount in excess of that of 1916, and profits should show some increase as well. There has not been sufficient time since then to work out any estimate of the new Year's business but prospects hold good. THE FINANCIAL POST was informed that the trade were inclined to buy even more largely than the firm thought advisable for them under present conditions, and in implying that this firm has exercised pressure against "loading up," it is only saying what is the case with a number of Canadian manufacturers. This, it may be said, is indirectly in their own interests in the "long run," but directly, it means consulting their customers' interests first.

### MONTREAL COTTONS.

An encouraging report as to the volume of the present year's business is published elsewhere in this issue. Business has been rather better than last year, which was far in advance of all previous years. It will be interesting for shareholders to note that the volume of domestic business (capacity output being checked by labor scarcity) has made it impossible for the company to accept any orders from the United States. Orders for next Spring are well up to the mark.

Fire broke out in the plant of Montreal Cottons, Ltd., at Valleyfield, Que., on Thursday, and destroyed the power house and a portion of the mill. This probably will result in operations being suspended at the mill for several weeks.

### MONARCH KNITTING.

The statement made by the general manager of the Monarch Knitting Co. as to the volume of business for the year ending Nov. 30, and particularly the new hosiery department as reported in another column, should prove gratifying to the shareholders, as it indicates not only a good year's trade, but implies that the whole position of the company, looking to the future, has been strengthened considerably by the addition of the hosiery plant. There was some criticism voiced early last Spring at the arrangements for increasing the banking facilities of the mills, but with prices of materials as high as they are, it would have been impossible to do the volume of business that was done and will be for Spring, 1918, unless a huge stock of wool and yarn had been acquired in advance. In the face of conditions the profits should show up well.

### DOMINION TEXTILE.

So far no difficulty has been experienced by the Dominion Textile in securing supplies of raw cotton from the United States, and the embargo may not be applied at all in this case, particularly as Dominion Textile are turning out large quantities of khaki duck for the United States Government.

For the first time since the minimum price was fixed there were a few shares of common sold above the minimum. This was on Thursday morning, when they went to 81½. The rest during the day fell back to the former price of 80¾.

### PENMANS.

Samples are now ready for the new fall (1918) lines of Penmans, but orders received so far are not sufficient to indicate the attitude of the trade. It is expected, however, that in spite of higher prices, orders will run proportionately better than for spring. There was a single transaction in common this week at the minimum price of 65.

### CANADIAN COTTONS.

There were no sales this week in Canadian Cottons and the stock has been particularly quiet. The mills are well filled with orders.

## TRANSPORTATION

### Eyes of Canadian Investors Still Trained Upon the Situation in the U. S.

Holders of the securities of Canadian railways still have their eyes trained upon the situation in transportation circles in the United States, that being about the only source of information at the present time which is likely to give any indication of what the future will hold for Canadian roads. The announcement of the plan of President Wilson for the solution of the American problem, with an intimation that the position of the shareholders of rails securities would be protected, had a favorable effect upon the market for a time, but it later developed that Wall Street did not share in the optimism which was evidently aroused by the railroad executives themselves. Late advices are to the effect that the men who have been in Washington have not as yet been able to agree among themselves either on a plan to be recommended for the breaking of the traffic congestion or upon any name which they will be willing to suggest to the President for consideration in choosing a railroad dictator.

As for the proposals of President Wilson for the handling of the situation, the interpretations which have been placed upon them differ to such an extent that varied impressions obtain. The President has been developing along the line of practical business recently and there is no reason to believe that he would not take any step which in his opinion the successful prosecution of the war might demand. At the same time it is not considered for a moment that Mr. Wilson would take a course which would in the present crisis transfer the control of operations from the hands of trained experts to a hastily constructed government board. Reasonable half measures will no doubt be eventually decided upon which will increase co-operation without interfering with efficient administration.

In Canada some decision from the railway commission as to increased rates is still being awaited. Hope is now entertained that after the election and the clearing of the political atmosphere some decision will be announced by the commission. However, it is a fact in Canada as it is in the United States that there mere increase of 15 per cent. will not be sufficient at this time to meet the issue. Increases in wages, materials and other operating costs have become so great that the increase asked for in the first place will not now insure a continuation of efficient service or permit of the necessary investments in rolling stock and other equipment.

The earnings of the Canadian roads show a falling off for the first week of December in the heavy increases of October and November, and the C.N. R. ran behind slightly. The total increase was $214,932, or just over 4

Continued on page 4.

THE CANADIAN BANK OF COMMERCE
SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
SIR JOHN AIRD, General Manager
H. V. F. JONES, Ass't. Gen'l. Manager
CAPITAL PAID UP, $15,000,000 RESERVE FUND, - $13,500,000
BANKING SERVICE
This Bank provides every facility for the prompt and efficient transaction of all kinds of banking business.
BRANCHES IN EVERY PROVINCE OF CANADA, IN NEWFOUNDLAND, AND AT THE FOLLOWING POINTS:
London, Eng. Mexico City New York
Portland, Ore. San Francisco, Cal. Seattle, Wash.

The Dominion Bank
HEAD OFFICE - TORONTO
Sir Edmund B. Osler, M.P., President
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C. A. BOGERT, General Manager
The London, England, Branch of The Dominion Bank at 73 Cornhill, E.C., conducts a General Banking and Foreign Exchange Business and has ample facilities for handling collections and remittances from Canada.

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament.
HEAD OFFICE, - WEYBURN, SASK.
NINETEEN BRANCHES IN SASKATCHEWAN.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted

UNION BANK OF CANADA
Established 1865
HEAD OFFICE - WINNIPEG
Paid-Up Capital ..............................$ 5,000,000
Reserve ...................................... 3,400,000
Total Assets ..........................over $130,000,000
John Galt ........................President
H. B. Shaw .............. General Manager
J. W. Hamilton...Assistant General Manager
This Bank, having over 305 Branches in Canada extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of banking business.
Travellers' Cheques and Letters of Credit issued payable all over the world.
Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.
Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London (England), New York and Montreal Offices, and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureaus established at these Branches. New York Agency, 49 Wall St., New York City. Geo. Wilson, Agent.
CORRESPONDENCE SOLICITED.

LLOYDS BANK LIMITED.
Head Office: 71, LOMBARD ST., LONDON, E.C. 3.
CAPITAL SUBSCRIBED - - £31,304,200
CAPITAL PAID UP - - 5,008,672
RESERVE FUND - - - 3,600,000
DEPOSITS, &c. (Oct., 1917) 159,041,262
ADVANCES, &c. do. 62,433,784
THIS BANK HAS NEARLY 900 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, Cornhill, London, E.C. 3.
London Agency of the IMPERIAL BANK OF CANADA.
The Agency of Foreign & Colonial Banks is undertaken.
French Auxiliary:
LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

# NEWS OF SECURITIES

Continued from page 3

per cent. The gross earnings were $5,423,138, divided as follows:

| | 1917 | | Change |
|---|---|---|---|
| C.P.R. | $3,289,000 | + | $150,000 |
| G.T.R. | 1,218,138 | + | 66,832 |
| C.N.R. | 916,000 | — | 1,900 |

The T. Eaton Company have been granted a permit for a $45,000 one-storey delivery building at the junction of Coxwell Avenue and the G.T.R. right of way, Toronto.

### CANADIAN PACIFIC.

Canadian Pacific stock suffered in the general weakness of the American markets this week and when it sold down to 127½ it touched the lowest point in thirteen years or more. The break for the week was five points. The low figure on the Canadian exchanges was 127¾. The high record of the stock was made in August, 1912, just before the cutting of a stock melon, when it touched 281¾. During the present year as high as 166½ was touched in March. Following the decline this week there was some slight improvement in New York in common with transportation stocks in general which were favorably affected by the announcement of the president's railroad policy and the intention of the government to safeguard the interests of the investor. There was a continuance of the heavy selling movement in New York accompanying this latest break but there was no adequate explanation for the trend of the market offered.

For the week ending December 7, the gross earnings of the Canadian Pacific Railway Company amounted to $3,289,000 compared with $3,139,000 for the corresponding period in 1916, an increase of $150.000, or 4.7 per cent. As compared with the figures for the first week in November there was a gain of $85,000. Following are comparative figures:—

| | 1917 | 1916 | Change | % |
|---|---|---|---|---|
| Dec. 7.. | $3,289,000 | $3,139,000 | + $150,000 | 4.7 |

### CANADIAN NORTHERN.

The affairs of the Canadian Northern, particularly as regards relations between the company and the government, have been drawn into the political arena recently by the charges of Hartley Dewart in Toronto, that unauthorized payments had been made. One charge was that $6,000.000 had been paid to Mackenzie and Mann on account of the B. C. C. N. R. and another that $25.000.000 had been paid to Mackenzie and Mann, through the Bank of Commerce, without Parliamentary warrant. Sir Thomas White has made a complete denial of the first charge saying that there has been no such vote passed and no such order in council passed or considered. With regard to the second charge, the Minister of Finance says that advances made under the Canadian Northern legislation of the last session of parliament have been on the certificate of the Financial Comptroller of the Department of Railways and Canals, under the authority of an Order-in-Council passed November 15th, in strict accordance with the statute authorizing them. The certificate of the Financial Comptroller of the Department of Railways and Canals, dated Nov. 16th, 1917, authorized advances in payment of principal and interest indebtedness upon equipment account of $5.998,752.50, and for interest upon underlying securities of $7.155.111.29, making a total of $13.153.863.79. Against this certificate $12.500.000 was advanced. The Financial Comptroller's next certificates were dated Nov. 28th, 1917, and covered the principal of a loan amounting to $1,670.453.95, maturing due in New York, which could not be renewed there, also interest upon underlying securities and principal of equipment securities aggregating $869.958.

The Canadian Northern Railway Company reports gross earnings for the first week in December amounting to $916.000 compared with $917.900 for the corresponding period in 1916, a decrease of $1.900 or .2 per cent., although, as compared with the figures for the first week in November, there is a gain of $20,600. Comparative figures follow:—

| | 1917 | 1916 | Change | % |
|---|---|---|---|---|
| Dec. 7.. | $ 916.000 | $ 917.900 | — $ 1,900 | 0.2 |

From July 1 to December 7, the gross earnings amounted to $19,499,600 against $19,064,000 for the corresponding period a year ago, an increase of $435,600.

### GRAND TRUNK.

Gross earnings of the Grand Trunk Railway for the week ending December 7, totalled $1,218,138 compared with $1,151,306 for the corresponding period in 1916, an increase of $66,832 or 5.8 per cent. Following are comparative figures:—

| | 1917 | 1916 | Change | % |
|---|---|---|---|---|
| Dec. 7.. | $1,218,138 | $1,151,306 | % $ 66,832 | 5.8 |

For the week ending November 21, gross earnings of the Grand Trunk Pacific Railway Company amounted to £41,531 compared with £26,401 for the corresponding period in 1916, an increase of £15,130. From July 1, to November 21, the earnings totalled £590,725, an increase of £176,202.

## ELECTRIC RAILWAYS

### Market for Practically All Public Utilities Securities Suffers Further Depression.

The market for electric railway and other public utility stocks has suffered further depression during the week. In Canada this has not been noted to any great extent owing to the prevailing minimums but in the American market there are further indications of the effects upon profits of higher wages, more costly materials and also of the general influence of the unfavorable attitude of public opinion towards public service corporations. Then developments in regard to Detroit United are typical as illustrating the troubles being encountered to a greater or less extent in many cities.

The Niagara situation continues to hold much of interest to those interested in electric securities. In this connection attention may be called to a despatch from Buffalo to the effect that the more extensive use of the Niagara river is being suggested in view of the shortage of the supply of coal and gas. The Buffalo City Commission has passed a resolution to start inquiries as to whether fuel requirements can be cut down in that city without impairing productive efficiency.

The relations between Canada and the United States in regard to power, coal and other materials relating to industrial activity should be very carefully considered at this time. It is undoubtedly in the interests of Canada that we should co-operate as closely as possible with the United States not only from the standpoint of the prosecution of the war but also from the standpoint of business prosperity.

### B. C. ELECTRIC.

Although the B.C. Electric Railway carried half a million more passengers on its city and suburban lines for the month of October this year than last, the company makes the statement that the increase in receipts was more than wiped out by the increase in the cost of operation, which was largely the result of the eight days' strike on the company's lines in June of this year. The strike was settled on the basis that relief would be granted the company on the report of Dr. Shortt, to which reference was made last week.

For the four months ending October 31 the net revenue of the company was $291,154, as compared with $298,803 for the corresponding period of the previous year, whereas, according to General Manager Kidd, the gross earnings had increased from $1,695,658 in 1916, to $1,842,476 this year. In the four-month period, he said that company required $320,000 for debenture interest alone.

In connection with the Shortt report, Mr. Kidd issued a statement which in part is as follows: "Dr. Shortt is very definite about what will become of the street railway if conditions are not readjusted. Either the jitneys in competition with the street cars must be eliminated, and until more prosperous conditions return certain other changes and economies introduced, or the electric street cars must either go out of business, or if forced to operate on a basis which will permit them to meet the competition of the jitneys, they must at least abandon the outlying and more unremunerative sections of their lines, reduce the frequency of the service on others, discontinue all transfers, and exact a five-cent minimum fare for all persons, including children under 12 years of age, school children, workmen and others.

### CANADIAN GENERAL ELECTRIC.

Canadian General Electric common has attracted a little more attention during the week than for the past month or so. However, sales were still in small volume and all transactions were at the minimum of 101½. The company is benefiting from business of a more normal character than shell orders but still having a relation to war requirements, equipment in connection with naval construction being an important factor. The preferred continues a dead issue so far as trading is concerned.

### BARCELONA TRACTION.

After gaining to 9¾ last week there has been renewed evidence of weakness in the market for Barcelona Traction and late sales have been at 8¾ with last quotations of 8½ asked and 8 offered. There have been no reports recently regarding the company's affairs but the selling off is taken as a reflection of the general conditions in the investment market rather than any change in the business or earning position of the company, even though war developments may be considered as a factor in that connection.

### DETROIT UNITED.

A representative of the New York engineering firm of Barclay, Parsons & Clapp, transit experts, is understood to be in the city of Detroit this week engaged in going over the D.U.R.'s books to see if the latest fare increase is justified. Barclay, Parsons & Clapp is the firm which a week or two ago gave to Mayor Marx, of Detroit, its finding after an investigation of the transit needs of the Automobile centre.

The hundreds of Canadian shareholders in D.U.R. will await with keen interest the finding of the New York expert engaged. For, in the meantime the Detroit aldermen are trying to play politics with the street car question. And all who have followed the career of Detroit United will know what politics meant to the company in the past. D.U.R. was being continually heckled by the members of Detroit's common council until the famous day-to-day agreement went into effect August 7, 1913. Then there was comparative civic calm and shareholders breathed freely once more.

It is a matter of common record how the city grew and how this expansion brought rich reward to the D.U.R.'s treasury until last year it was possible to put an 8 per cent. dividend into effect. D.U.R. stock went skooting on Canadian stock exchanges where the chief investment interest lay.

Then America entered the war. A crimp was put into Detroit's mushroom boom. The D.U.R. began to put efficiency economics into force in an effort to stem the tide of falling revenues. One of these economics was the skip-step system which proved so widely unpopular. All the latest trouble really arose out of this new method—this and a re-routing system. When the common council began to hackle the traction management President Brooks came back with the retort that to save itself the D.U.R. must put into immediate effect a 5-cent fare.

A drop of 14½ points in D.U.R. on New York Stock Exchange compares with the Canadian minimum of 104½. Last week's ruling of Montreal Stock Exchange prevents Canadian selling of the stocks internationally listed at lower prices than the Montreal official minimum. Since the liquidating movement began in D.U.R. in New York between 700 and 800 shares have come on this market. The belief is expressed in New York that this selling has emanated almost wholly from Canadian accounts. It is not considered likely that the selling will continue here now that the Montreal Stock Exchange decision has been made.

### NOVA SCOTIA TRAMS.

The Public Utilities Commission of Nova Scotia has filed its decision in the Nova Scotia Tramways & Power Co.'s recent application to approve the increase of the capital stock from six millions to ten million dollars, and to approve a bond issue of $975,000, and sale of shares sufficient to yield with these bonds $1,415,328.65.

The board approves items of the proposed capital expenditure amounting to $315,641.72, and holds over for further consideration items amounting to $569,686.93. The board further, for the present, refuses to increase the capital asked for by the applicants, and this matter is directed to stand over for future consideration.

The board also deals with the application that $500,000 now held by the company in cash, being part proceeds of sale of bonds for Gaspereau developing purposes, be diverted and applied for the present towards the expenditures at Halifax.

### MONTREAL TRAMWAYS.

It is more than likely that before the Tramways Commission completes its report that it will consider the question of raising the fares in the city of Montreal, either from the present six-for-a-quarter, the general rate now, to a straight five-cent basis, or restricting in some way the transfer privileges. All over the United States this is being done as a result of the increase in the costs of operation, and these are not likely to drop materially for some time after the close of the war, if, indeed, they will ever return to even within an approximate distance of the old. The report of the commission is expected to be submitted during the present session of the legislature.

In the meantime the Tramways Company is securing the best equipment in the market. In a statement to THE FINANCIAL POST, the general manager, Col. Hutchison, said that the bodies of one hundred new cars had been delivered, although there would be some delay with a large portion of the electrical equipment. These cars are double ones, fitted with 300 instead of 200 horse power, so as to cover more efficiently the hilly section of the North and South lines.

Montreal Tramways is working, as a subsidiary, on a large shell order, and the company has all it can handle in this line. This, of course, carries with it a source of revenue for the company that will be considerable.

### BRAZILIAN.

The Brazilian Traction, Light and Power Company, reports gross earnings for the month of October amounting to 8,006.000 milreis which compares with 7,262,000 milreis for the same month in 1916. The increase is 744,000 milreis. It will be noted that the gross earnings for October were not far behind the figures for the record month when the gross amounted to 8,064,000 milreis. Operating expenses for the month were higher by 928,000 milreis, the amount being 4,290.000 milreis against 3,362,000 milreis in 1916. Net earnings at 3,716,000 milreis showed a falling off of 184,000 milreis. Following are comparative figures of net and gross earnings since the beginning of the year:—

| | —Milreis— | | |
|---|---|---|---|
| Net | 1917 | 1916 | Inc. |
| January | 4.002.000 | 2.841.000 | 161,000 |
| February | 3,885.000 | 3.519,000 | 366,000 |
| March | 4,151.000 | 3.783.000 | 368.000 |
| April | 4.053.000 | 3.840.000 | 213.000 |
| May | 4.289.000 | 4,108.000 | 181.000 |
| June | 4.022.000 | 3,930,000 | 92.000 |
| July | 3.849.000 | 4,141.000 | *292.000 |
| August | 4.017.000 | 4.053,000 | *36.000 |
| September | 3.900.000 | 3.778.000 | 122.000 |
| October | 3,716,000 | 3,900,000 | 184,000 |

*Decrease.

The aggregate gross earnings from January 1, amounted to 76.436.000 milreis compared with 70.413.000 milreis for the corresponding period a year ago an increase of 6.023.000 milreis, while the aggregate net earnings totalled 39,884.000 milreis, an increase of 991,000 milreis.

Brazilian has received less attention from traders during the past week than for many months, sales since last report amounting to only a little over 500 shares The minimum price of 32 has prevailed as it has during the past three weeks.

### DULUTH-SUPERIOR.

Duluth-Superior sold this week at 42 on a transaction of 25 shares. This is the minimum price and indicates a decline of ¼ from the last previous a fortnight before. Officials of the company report that conditions are much the same as have prevailed for some time with earnings well maintained and on a basis to give support to the present dividend policy.

### TORONTO RAILWAY.

With prices ranging from 60 to 60¼ there has been some desultory trading in Toronto Railway during the week. Both investors and professional traders are giving a lot of attention to the affairs of this concern at the present time, but there is little definite information as to possible early developments; the policy of keeping both the public and the shareholders in the dark as to what course is contemplated is being rigidly adhered to. The impression is growing that the present dividend policy cannot long be maintained despite the statements at the last annual meeting by Sir William Mackenzie; and the report that Read and company had secured a promise of a reduction to 4 per cent. in connection with the renewal of the $750.000 notes is still regarded with considerable significance. The declaration at the rate of 2 per cent. for the January payment is not necessarily regarded as establishing a policy for next year, the January payment being for the final quarter of 1917. If any agreement has been made with the New York financiers or if any change in the dividend for 1918 is planned for other reasons the reduction would very likely be announced at the time of the next quarterly declaration. Whether it would be as drastic a reduction as indicated in the New York report is a matter of opinion, but there is a growing feeling that a reduction to at least 6 per cent. will be on the program.

In connection with the discussion of the Toronto Railway dividend future it is being pointed out that on the basis of the last annual statement the increase in wages which has been granted, together with other increased costs of operation will make a reduction of the dividend distribution necessary despite improvement in earnings. It will be next year rather than this that the brunt of the wage increases will be felt, it having been in effect for only a portion of 1917. The company has to consider the period of its franchise—and the by-law in that connection will undoubtedly be passed at the municipal elections—and the financial obligations which must be met in the interval. At the same time the continuation of the war promises to further delay the time when a readjustment to more normal conditions may be looked for.

## LIGHT AND POWER

### CONSUMERS' GAS.

A sale of ten shares of Consumers' Gas took place this week at 150⅛. This figure not only shows a fractional improvement over the last but is better than 3 points above the official minimum of 147.

### SHAWINIGAN.

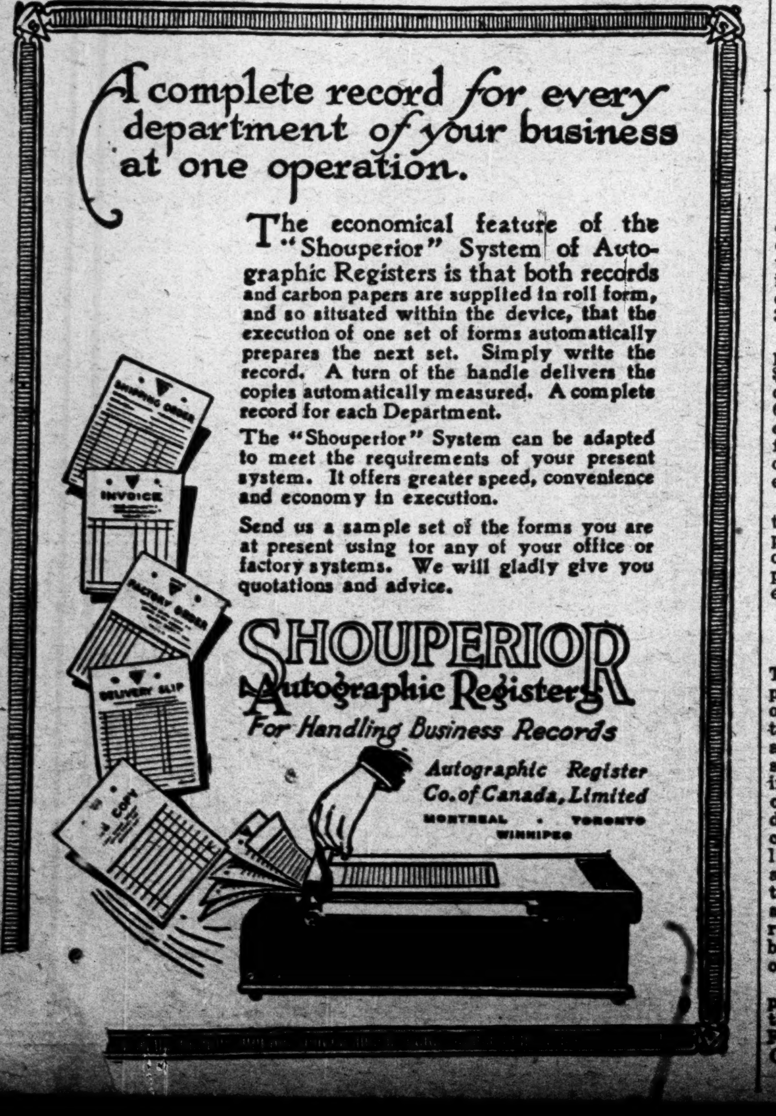
Trading in Shawinigan was of very narrow proportions during the week. Not more than 100 shares changed hands in any one day. The price in all cases was at the minimum of 107.

## OTHER STOCKS

### Practically no Change in the General Situation Since Last Week's Report.

In the market for general securities the conditions which have been described as typical of the whole stock market situation prevail. A few of the healthier securities have broken from the minimum protection but for the most part the advances were made in the earlier part of the week and since then there has been a retreat behind the barrier. It is for

Continued on page 5.



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# The Sherwin-Williams Co. of Canada, Limited

## ANNUAL REPORT OF BOARD OF DIRECTORS

To the Shareholders:

Herewith I take pleasure in presenting, on behalf of the Directors, for your consideration and approval the Sixth annual Report of your Company.

The books and accounts have been audited as usual by Messrs. Price, Waterhouse & Company, and their report is submitted herewith.

The cost of all renewals and repairs to property has, as in the past, been charged to Operating Expenses, and the sum of $80,745.62 has been added to the reserve for depreciation. It will be noted that the reserve for depreciation now amounts to $555,861.82, as shown on the balance Sheet.

The increase in the current liabilities is due to larger inventories, necessitated by a larger turnover and also to higher costs of materials.

Reference was made in the last report of the Board of Directors, to your Australian Company. I am pleased to state that the plant at Sydney has been completed and is now in operation. No returns, however, from this plant were received during the last fiscal year. The outlook for satisfactory results from the Australian Company is promising.

Substantial gains in sales have been made in all departments of your business during the past year, and your Directors consider the outlook for the present year satisfactory.

The earnings for the past year, before providing for depreciation and interest on bonds, amounted to $945,272.95, and have been dealt with as follows:—

| | | |
|---|---|---|
| Reserve for depreciation and renewals of Plant | $ 80,745.62 | |
| Interest on Bonds | 133,092.36 | |
| Dividends on Preferred Stocks | 220,132.50 | |
| Donations to Patriotic Fund, allowances to employees on active Service, and provision for British War Tax on Profits of the Berger Companies | 118,965.78 | |
| Balance to surplus account | 392,336.69 | |
| Earnings for the year | | $945,272.95 |

The surplus account and reserves, as will be seen from the balance sheet, now amount to $2,402,560.19.

Respectfully submitted on behalf of the Board,

WALTER H. COTTINGHAM,
President.

Montreal, December 11th, 1917.

## CONSOLIDATED BALANCE SHEET, AUG. 31st, 1917

### ASSETS.

| | | |
|---|---|---|
| **Property Account:** | | |
| Land and Buildings, Leaseholds, Plant and Equipment, Formulae, Trade Marks and Goodwill, as at August 31st, 1916 | $8,712,463.58 | |
| Net Additions during the year | 388,373.85 | |
| | | $ 9,100,837.43 |
| **Investments:** | | |
| In Stocks of other Companies | 320,475.00 | |
| In War Loan Bonds and Certificates | 3,123.55 | |
| | | 323,598.55 |
| **Sinking Fund Deposits:** | | |
| Cash and Bonds in the hands of Trustees | | 59,635.70 |
| **Current Assets:** | | |
| Inventories | $2,417,613.65 | |
| Accounts Receivable | 1,714,320.98 | |
| Bills Receivable | 115,250.22 | |
| Cash | 167,965.87 | |
| | | 4,415,150.72 |
| Insurance, Interest, and Taxes Prepaid, etc | | 14,628.30 |
| | | $13,913,850.70 |

### LIABILITIES.

| | | | | |
|---|---|---|---|---|
| **Capital Stock:** | | | | |
| SEVEN PER CENT. CUMULATIVE PREFERRED— | | | | |
| Authorized 40,000 Shares of $100 each | | | $4,000,000.00 | |
| Issued 32,870 Shares of $100 each | | | 3,287,000.00 | |
| COMMON— | | | | |
| Authorized and Issued 40,000 Shares of $100 each | | | 4,000,000.00 | |
| | | | | $ 7,287,000.00 |
| **Six Per Cent. First Mortgage Sinking Fund Gold Bonds Due July 1st, 1941:** | | | | |
| Authorized | | | $2,450,000.00 | |
| Less Bonds deposited with Trustees for redemption of Bonds of the Canada Paint Company, Limited, and Lewis Berger & Sons, Limited | | $444,300.00 | | |
| Bonds deposited with Trustees for Sinking Fund purposes | | 124,200.00 | | |
| Bonds held in Treasury | | 8,300.00 | | |
| | | | 576,800.00 | |
| | | | | 1,873,200.00 |
| **Mortgages and Bonds of Subsidiary Companies:** | | | | |
| The Canada Paint Company, Limited | | | $ 340,668.67 | |
| Lewis Berger & Sons, Limited | | | 103,660.00 | |
| | | | | 444,326.67 |
| **Current Bills and Accounts Payable:** | | | | |
| Bills Payable | | | $ 447,221.18 | |
| Accounts Payable | | | 544,268.25 | |
| Bank Loans of the Berger Companies | | | 190,705.00 | |
| Interest Accrued on Bonds | | | 24,457.64 | |
| | | | | 1,206,652.07 |
| **The Sherwin-Williams Co. of Cleveland (Balance due on Current Account)** | | | | 700,111.77 |
| **Special Reserve Fund** | | | | 100,000.00 |
| **Reserve for Depreciation and Renewals of Plant** | | | | 555,861.82 |
| **Surplus:** | | | | |
| Balance, August 31st, 1916 | | | $1,354,361.68 | |
| Earnings for the year before charging Depreciation and Bond Interest | | $945,272.95 | | |
| Deduct Depreciation | $ 80,745.62 | | | |
| Bond Interest | 133,092.36 | | | |
| | | 213,837.98 | | |
| Profits available for distribution | | $731,434.97 | | |
| Deduct Preference Dividend | | 220,132.50 | | |
| Balance of Profits | | $511,302.47 | | |
| Deduct Donations to Patriotic Funds, allowances to employees on Active Service, and provision for British War Tax on Profits of the Berger Companies and for the Taxes Payable by the Canadian Companies under the Business Profits War Tax Act 1916, and the Income War Tax Act 1917 | | 118,965.78 | | |
| | | | 392,336.69 | |
| Balance August 31st, 1917 | | | | 1,746,698.37 |
| | | | | $13,913,850.70 |

**Contingent Liability:**
For Bills under Discount.......$28,221.27

### REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

WE have examined the Books and Accounts of the Sherwin-Williams Company of Canada, Limited, and its Subsidiary Companies in Canada for the year ending August 31, 1917, and have been furnished with a Balance Sheet and Statements of the operations of Lewis Berger and Sons, Limited, of England, certified to by the Auditors of that Company, and with Statements of the operations of Lewis Berger and Sons (Australia) Limited, made up at June 30, 1917, and certified to by the Managing Director. We have obtained all the information and explanations which we required, and WE CERTIFY that in our opinion the above Balance Sheet at August 31, 1917, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Sherwin-Williams Company of Canada, Limited, and its Subsidiary Companies, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.

Montreal, December 10th, 1917.
On behalf of the Board,

W. H. COTTINGHAM,
H. M. ASHBY,
Directors.

THE STERLING BANK
OF CANADA

Your business may be fraught with financial problems peculiar to itself. We are confident that we can render practical assistance in their solution.

Eighty commercial automobiles, valued at $69,709, and 1,020 passenger motor cars, valued at $676,483, were exported from the United States to Canada during October, according to the latest returns of the Department of Commerce. During the ten months' period ending October, 1917, there were 696 commercial motor cars, valued at $918,088; and 14,261 passenger automobiles, valued at $10,791,081, imported into Canada from the United States. The combined exports of commercial and passenger automobiles from the United States to the Dominion in October a year ago numbered 1,021 cars, valued at $718, while during the ten months' period of that year they were 11,118 cars valued at $8,625,079.

# NEWS OF SECURITIES

this reason that the agitation has been started in favor of a revision of the minimums to lower levels, it being contended that a readjustment is in order. For a time in the first days there were indications of a little better tone but the war developments of the past few days have had a depressing effect in New York and this has been reflected in Canadian sentiment although owing to the artificial prices it is impossible to judge what the actual influence has been. The volume of business has been very small in those few stocks which have come into the open at all.

### ATLANTIC SUGAR.

Although some raw sugar has come into Canada from the International Sugar Commission, the Atlantic Sugar Refineries has had supplies on hand previously contracted and has been able to keep customers satisfied. With the relief from the United States it is felt now that there will not be the famine in sugar that was feared. After the New Year when the new crop begins to come in, it is likely that the price of sugar will decline somewhat, as the price of 4.6 cents has been fixed for raws in Cuba, which, allowing the freight at 30 or 40 cents—which has not been decided yet—will mean 4.9 or 5 cents at New York. This is a little less than the average paid for the latter part of this year, so that sugar will be able to drop somewhat. Speaking to THE FINANCIAL POST of prospects for export the coming year, D. Lorne McGibbon, the President, stated that these were very uncertain. He did not expect the new crop of raws to move freely until February, and conditions established by the Commission might be such that the Canadian Refineries would not be allowed to export to Great Britain. This formed a very considerable percentage of the trade of 1917.

### AMES-HOLDEN-McCREADY.

The first six months' business of the new year of Ames-Holden-McCready, Limited, shows, a satisfactory increase over the business of the corresponding period of last year. At the present time most of the placing business for next Spring has been completed and orders have come in in larger volume than for last year. In referring to this, the general manager, N. R. Feltes, stated to THE FINANCIAL POST that the orders received from the West were particularly good, and that he looked for equally brisk business in "sorting" for the Spring trade.

Tenders have been called by the Militia Department at Ottawa for 50,000 pairs of shoes for the new draft, and an announcement may be expected shortly as to the successful tenderers. This may mean a large order for Ames-*Holden-McCready*. It is likely that tenders will be called for an equal number of "trench" boots.

### ACADIA SUGAR.

The early newspaper reports of the Halifax disaster noted the Acadia Sugar refinery as one of the many plants that had been totally destroyed. As a matter of fact the plant destroyed was the old Richmond refinery on the Halifax shore that has been out of commission ever since the new Woodside refinery was built on the opposite side of the harbor a couple of miles below Dartmouth. Direct advices from the company indicate that this plant had escaped uninjured so that the actual production of the plant will be in no way interfered with. The resumption of activities at the Woodside plant is only dependent on the arrival of anticipated supplies of raw sugar. The loss of the Richmond refinery will probably represent an element of loss as it has been used for storage purposes, but will not affect the company from the standpoint of its manufacturing activties.

### BELL TELEPHONE CO.

According to a statement of the President of the Bell Telephone Co., L. B. McFarlane, to THE FINANCIAL POST, the new business of the company this year will show the average increase. So far the company has been able to take care of the extensions for the most part out of the supplies they had on hand, and deliveries this year. The supply of copper, however, for next year is uncertain, owing to the embargo set on this by the United States. The regular quarterly dividend of 2 per cent. was declared this week, payable Jan. 15, to holders of record Dec. 31. There have been no sales this week. The minimum price is 130.

### B. C. PACKERS.

An announcement bearing in an important way upon the affairs of B.C. Packers is made in Vancouver to the effect that a committee of ten, five to be appointed by the British Columbia University and five to be named by the British Columbia Branch of the Bureau of Industrial Research, will undertake the investigation of the salmon situation on the Fraser River, comprehending in the scope of their inquiry the possibility of an international agreement as to the closing of the river for four years. This follows the report recently presented regarding the conditions in the salmon industry on the Pacific Coast and particularly in the Fraser River, showing a grave danger that the whole industry will be permanently injured if joint international action is not taken in the near future to regulate the catches in a scientific manner.

There have been no transactions in the company's securities for some weeks. The last price for the common was 40 and the minimum is 38; there have been no quotations posted recently. The preferred has not been dealt in during the present year.

### CANADA CEMENT.

The early arrival of cold weather has made an appreciable difference in the sales of the Canada Cement Co. during the last few weeks, THE FINANCIAL POST is informed. Up to the beginning of October the sales for the year were ahead of 1916 by a fair margin, but the more open weather last year drew in a large volume of business in the last two months, from most of which the present year will be cut off. Even with an even break the profits should at least equal those of last year, while the munitions orders will prove very satisfactory. It is understood that new orders are likely to be received by the company within a week or two, so that this end of the business will add considerably to the net earnings.

There has been slightly more activity in Canada Cement during the past week and some improvement in price has been noted. As compared with a minimum of 57 there have been sales as high as 57½ and 57¾.

### CANADA BREAD.

It has been a long time since Canadian investors and stock traders have received such a surprise as that of last week-end when the directors of the Canada Bread Company met and declared what is evidently a bonus dividend of $2 per share upon the common stock of the company. THE FINANCIAL POST is informed that few of the members of the board themselves had any idea of such action when they went to the meeting on Friday. At the annual gathering there had been some talk of a distribution but the suggestion was not seriously considered. So far as the "street" was concerned the announcement came from a blue sky and the idea of a payment on a common stock selling around 13 had not been thought of.

The declaration on the one hand may be taken as an indication of the satisfactory financial position of the company, but the policy of making a distribution at this time is quite generally criticized. It is pointed out that not only is the future very uncertain with war conditions prevailing but that the indication of substantial profits is likely to arouse unfavorable public opinion and at the same time give the Food Controller new grounds to work on in the regulation of the prices of bread. It is known that there are many holders of the stock who have been waiting long and patiently for some return on their investment and it is considered that pressure from this source has been the chief influence in the policy which has been adopted. It is only to be hoped that this policy may not prove so near-sighted as it would appear at this juncture. The course which might be justified in some cases of making a distribution so as to reduce assets in the face of the demands for "conscription of wealth" hardly applies in this instance.

The company has common stock outstanding of $2,500,000, or 25,000 shares. The distribution will, therefore, require $50,000. This can be readily met from the surplus of $147,755 shown in the annual statement a couple of weeks ago. However, the advisability of making this use of liquid capital at this time is questionable. The action taken, however, is a reflection of a successful year as shown in the report of THE FINANCIAL POST of November 24th, which pointed out that the manufacturing profits were actually larger by $50,000 than indicated when compared with previous years. It is interesting to note that this $50,000 is the amount required for the distribution made and that after, making the payment out of the year's returns, the result will still be about as indicated on the face of the profit and loss account.

There was considerable activity in the stock under the stimulus of the dividend action. From a previous figure of 13 it went up to 20 and has only lost fractionally since. The volume of sales has run up to about 2,000 shares. Two years ago the stock sold at 30. The activity in the common had no effect on the preferred.

### CITY DAIRY.

Although he has not as yet gone thoroughly into the report of the Milk Committee to the Food Controller, W. J. Northgrave, manager of City Dairy, informs THE FINANCIAL POST that he does not consider that any drastic action will be taken so far as Toronto is concerned. He believes that the Food Controller is well acquainted with the conditions prevailing here and that he appreciates that any reduction in price could not be effected without interfering with the efficiency of the service. Not only is it pointed out also that there was a comparatively small difference between the margin of profit of Toronto distributors and that which the committee considered sufficient, but, since the information upon which the report was based was collected in August last, there have been increases in costs of distribution in several directions: these increases include such items as bottles, horse feed, labor, etc.

Mr. Northgrave states that there is, if anything, an increase rather than a decline in the consumption of milk in the city. This has some effect upon the company's earnings. During the past week the weather conditions have proven a considerable handicap not only with regard to getting supplies into the city, but also from the fact that certain areas have, perforce, been temporarily isolated so far as distribution is concerned. However, this is entirely a temporary condition and should have only a passing effect upon income.

There have been no transactions in the company's shares during the week. The minimum prices of 30 and 60 for the common and the preferred respectively are asked but there are no offers.

### INTERNATIONAL PETROLEUM.

At the annual meeting of the International petroleum company the directors declared a dividend of 50 cents per share payable on or before the first of the year. Walter C. Teagle, who was recently elected to the presidency of the Standard Oil Company of New Jersey, retired from the board and G. H. Smith was elevated from the vice-presidency to the presidency. Hon. W. J. Hanna and A. M. McQueen were made vice-presidents. Other members of the board are J. L. Englehart, Capt. H. Keswick, Hon. Wallace Nesbitt, Sir Edmund Osler and C. O. Stillman.

There have been no sales of the stock on the Toronto exchange for some weeks. Recent quotations are $12 asked and $11.50 bid.

### MACDONALD.

Taking up the article appearing in THE FINANCIAL POST of two weeks ago, the Manitoba *Free Press* expresses the opinion that there is no apparent reason why a distribution should not be made on the preferred stock next year. The amount required for the annual distribution is $123,676 and it would seem that this sum would be available for the purpose. An estimate is made of net earnings for the year at $240,000 compared with $219,015 in 1916. *The Free Press* says that two or three years ago the directors of the company decided that they would not consider the question of paying dividends until the following large amounts had been liquidated, to wit: the sum of $600,000 to the original owners of the business; $184,379 to provide for a poor claim against the Dominion Bond Company, and, say, $100,000 organization expenses, etc.

The management has been working on this indebtedness for several years past, and it is now practically all gone. The $600,000 has been met, the $184,379 Dominion Bond Company item has been covered, and the organization cost has been reduced to $13,461. In addition, there has been built up a special reserve for the preferred stock of $199,177. There has also been a large sum written off for depreciation in real estate, etc.—$92,168 last year—the result being that the balance sheet of the company must be in quite a satisfactory state. The only obvious item which is to be charged up against the net earnings this year is $13,461, the balance of the organization expenses. There will probably remain to be disposed of the sum of $225,000.

It appears that the company did not close its warehouse at Port Arthur but did close the establishment at Kenora last year. Plants are now operated at Port Arthur, Regina, Moose Jaw, Saskatoon, Battleford, Yorkton, Lethbridge, Edmonton and Vancouver. E. E. Hall, of Winnipeg, has been made a director.

A small block of ten shares of the common stock sold during the week at 13½, this price showing no change from the last previous.

### MACKAY.

Ex-dividend 1¼ per cent. Mackay common was set back to that extent in the trading this week, but there was also indicated a decline in the market position of the stock other than this, a low point of 72¼ being touched as compared with a high of 76 last week. The stock is, therefore, now very little above the level from which it started its sensational spurt a couple of weeks ago. The preferred sold this week at 60, showing no change.

### RUSSELL MOTOR.

The organization of the new Buffalo plant has reached the point where some production is possible, the company being now engaged in turning out tools. The plant is, of course, being operated by the new United States corporation which was formed for the purpose. The directorate of this company comprises Lloyd Harris, T. A. Russell, C. R. Burt and E. B. Ryckman, who are all directors of the parent company, and B. A. Linderman, of the Linderman Steel & Machinery Co., Muskegon, Mich., who is the American representative on the board. Mr. Harris is president, Mr. Russell vice-president and C. R. Burt general manager. There is no chahge for the week in the affairs of the Canadian company.

### SHERWIN-WILLIAMS.

The annual report of the Sherwin-Williams Company of Canada, which appears in detail in another column, must be considered as satisfactory by the shareholders. The forecast in THE FINANCIAL POST last week that no action would be taken towards declaring a dividend on the common proved to be correct, in spite of the fact that the net profits represented close to ten per cent., and the accumulated surpluses now amount to 45 per cent. on the common. However, the abnormal demands on account of high prices of materials and the increased business, which has run ahead in every department, as well as the fact that the company has opened up a new factory in Australia, with very bright possibilities, and requires all the capital it can secure, influenced the directors in the course they have taken in regard to the declaration of a dividend. The surplus of assets over liabilities has increased substantially, and altogether the business is being placed on a strong foundation, so that larger profits are likely to be the portion of the shareholders as a result of their wait for dividends, than if a goodly portion of the earnings had been expended on this account.

The managing director of the Sherwin-Williams Company, H. M. Ashby, returned to Montreal on Thursday after a trip to Halifax to look over the situation there. He found that the company's warehouse and property was undamaged.

### SAWYER-MASSEY.

The first sale of Sawyer-Massey securities since the middle of October took place this week when a block of 10 shares of the preferred changed hands at 40. This price, which is the official minimum, represented a decline of 1 point from the last previous. Conditions in the industry of agricultural implements show little change. The outlook for demand is good, but the conditions as regards raw materials and labor are very unsettled and then there is the factor of the Dominion election and the possibility of a reduction of the tariff on American implements.

### FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

| | High | Low |
|---|---|---|
| Barcelona | 9¼ | 9 |
| Dom. Steel | 51⅛ | 50¾ |
| Steamships, pfd. | 72½ | 72½ |
| Steel of Can. | 49½ | 49½ |
| Can. Bread | 18½ | 18⅛ |
| Commerce | 185 | 185 |
| War Loan (1925) | 95 | 95 |
| War Loan (1931) | 91 | 91 |

## Stock Movements of the Week

Week ending Dec. 13:

| | Ask. | Bid | High | Low | Close | Sales | Minimum Prices |
|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | |
| Commerce | 185 | 184 | 185 | 185 | 185 | 12 | 185 |
| Dominion | 202 | ... | 202 | 202 | 202 | 13 | 202 |
| Imperial | 185 | ... | 185 | 185 | 185 | 2 | 185 |
| Montreal | 210 | ... | 210 | 210 | 210 | 5 | 210 |
| Royal | 205 | ... | 208 | 208 | 208 | 17 | 208 |
| Union | ... | 136½ | 137 | 136 | 136½ | 419 | 136 |
| **Transportation—** | | | | | | | |
| Barcelona | 9 | 8½ | 9 | 8¾ | 8¾ | 50 | ... |
| Brazilian Trac. | 32 | ... | 32 | 32 | 32 | 250 | 32 |
| Canada Steam., pref. | 76 | ... | 78 | 76 | 78 | 110 | 76 |
| Canadian Pacific | 128 | 126½ | 132½ | 127¾ | 127¾ | 70 | ... |
| Duluth Sup., com. | 42 | ... | 42 | 42 | 42 | 25 | 42 |
| Toronto Ry. | 61 | 60 | 60½ | 60 | 60 | 222 | 60 |
| Twin City, com. | 67 | ... | 66⅞ | 64¾ | 64¾ | 27 | ... |
| **Telegraph, Light and Power—** | | | | | | | |
| Bell Telephone | 130 | ... | 130 | 130 | 130 | 2 | 130 |
| Consumers Gas | 150⅛ | ... | 150⅛ | 150⅛ | 150⅛ | 10 | 147 |
| Civic Invest. | 68½ | ... | 68½ | 67½ | 67¼ | 298 | 68½ |
| Mackay, com. | 74 | 72 | 74¼ | 72⅛ | 72¼ | 301 | ... |
| Do., pref. | 61 | 60 | 60 | 60 | 60 | 14 | ... |
| Shaw. Water & Power | 107 | ... | 107 | 107 | 107 | 99 | 107 |
| **Industrials—** | | | | | | | |
| Canada Bread, com. | 18½ | 16½ | 20 | 18½ | 18½ | 500 | ... |
| Brompton Pulp | 39 | ... | 40 | 39 | 39 | 345 | 39 |
| Can. Cement, com. | 57 | ... | 58⅛ | 57 | 57 | 465 | 57 |
| Do., pref. | 90 | ... | 90 | 90 | 90 | 5 | 90 |
| Can. Car, pref. | 50 | ... | 49½ | 49½ | 49½ | 105 | 49½ |
| Can. Cottons, com. | 48½ | ... | 48½ | 48½ | 48½ | 41 | 48¼ |
| Can. Loco., pref. | 84½ | ... | 84½ | 84½ | 84½ | 10 | 84¼ |
| Can. Gen. Elec., com. | 101½ | ... | 101½ | 101½ | 101½ | 93 | 101½ |
| Dom. Bridge, com. | 128 | ... | 128 | 128 | 128 | 10 | 128 |
| Dom. Steel Corp. | 51¾ | 51 | 52½ | 52 | 52 | 816 | 52 |
| Dom. Textile, com. | 80¾ | ... | 81½ | 80¾ | 80¾ | 54 | 80¾ |
| Inter. Petroleum | 12.00 | 11.50 | 12.00 | 12.00 | 12.00 | 10 | ... |
| Lake of the Woods | 122 | ... | 120¼ | 120¼ | 120¼ | 10 | 120¼ |
| A. Macdonald, com. | 13½ | ... | 13½ | 13½ | 13½ | 10 | 13¼ |
| Maple Leaf, com. | ... | 91½ | 93 | 93 | 93 | 5 | 88½ |
| Mon. Knit., com. | ... | 30 | 30 | 30 | 30 | 1 | 30 |
| N. S. Steel, com. | 66 | ... | 66 | 66 | 66 | 22 | 66 |
| Ogilvie Flour, com. | 140 | ... | 140 | 140 | 140 | [illegible] | 140 |
| Penmans, com. | 65 | ... | 65 | 65 | 65 | [illegible] | 65 |
| Russell Motor, com. | ... | 50 | 51 | 50 | 50 | 21 | 50 |
| Saw.-Massey, pref. | 48 | ... | 40 | 40 | 40 | 10 | 40 |
| Steel Co. of Can., com. | 49½ | ... | 50¼ | 49½ | 49½ | 383 | [illegible] |
| Do., pref. | 85 | 84½ | 85¼ | 84½ | 84½ | [illegible] | [illegible] |

**Have You Only Half Made Your Will?**

Formerly men planning how to dispose of their property gave all their care to *the making of plans.*

They did not consider carefully enough how fit were the executors they appointed. Virtually, they only half made their wills.

Nowadays prudent men consider also the means of getting their plans carried out. This consideration usually leads them to appoint a trust company as executor. Frequently they appoint this Company.

Write for our publications on the care of estates.

**National Trust Company**
Limited
Capital Paid-up. $1,500,000
Reserve, $1,500,000
18-22 KING STREET EAST, TORONTO.

## SAYS AMALGAMATION OF COMPANIES WRONG

### Legality of Absorption of Prudential by National Finance is Raised in Court.

VANCOUVER.—In Supreme Court chambers the question was raised before Chief Justice Hunter as to whether the amalgamation that took place between the National Finance Company and the Prudential Company had been legally carried out. It arose out of an application by W. B. A. Ritchie, K.C., on behalf of one of the stockholders of the Prudential, asking that leave should be granted to issue a counter-claim against the company and for an accounting. Mr. Ritchie, in outlining the matter, said their claim was that there had been no legal amalgamation.

The point Mr. Ritchie raised was that the notice of the extraordinary meeting at which it was proposed the amalgamation should take place was not of such a character that the shareholders were able to judge whether or not they should oppose it. There were, said counsel, 1,088 preferred shares, of which the National Finance Company held one-half. The proposal sent out was that any one in the Prudential holding common stock would receive in exchange common shares in the National Finance Company. After the amalgamation, counsel said, it was found that the agreement could not be carried out, that it would be an impossibility to do so.

"We want to say," said Mr. Ritchie, "that the amalgamation was not legally carried out because the shares under the agreement are shares which are tied up. They got our company, which was solvent, and inside of six months it was in an insolvent state though we received a roseate statement showing that the National Finance was in a good financial condition."

His lordship made an order that leave to enter a counter-claim and for an accounting should be granted.

**Short Time Investments**

**1.** For the information of bankers and other conservative investors this summary of characteristics of the Collateral Trust Securities issued by this Corporation is published:—

***Maturities:*** Two months to ten months.

***Denominations:*** $1,000, $2,500, $5,000, $10,000, $50,000.

***Yields:*** At present offered at a discount rate of 5%—5½%—6%, depending upon maturities. Rates vary with financial market and length of maturities.

***Origin:*** Issued against two-name paper arising from actual sales of new trucks and automobiles. This underlying paper is deposited with National Trust Company, Ltd., of Montreal, as trustee for holders of securities.

***Underlying Collateral:*** Each of these two names is of approved credit standing and protected by direct lien on insured trucks and passenger automobiles with a margin of value considerably beyond credit involved.

***Relation to Guaranty Securities Corporation:*** Securities are the direct obligation of issuing Corporation, which is subject to supervision of banking authorities of New York, and has cash capital of $1,000,000 and undivided profits at August 31, 1917, of $218,698.02.

***Margin:*** Each $1,000 of securities is secured by $1,250 of underlying passenger car notes or acceptances or by $1,111.11 of truck notes or acceptances. These in turn are protected by direct lien on these insured trucks and passenger automobiles, having retail value at the beginning of the transaction, of $1,700 or $1,875.

***Self-Liquidation:*** Securities are absolutely self-liquidating because their maturities are so arranged that there will always be more than sufficient funds in the hands of the trustee from maturing payments of the underlying collateral to protect them at maturity. The underlying notes pledged as collateral are themselves secured by ample physical collateral, so that there is no possibility of any shrinkage in these assets beyond a merely nominal amount more than adequately provided for in the Corporation's reserve for losses.

For instance, on August 14, 1917, there was $1,573,972.74 cash in trust, awaiting the retirement of securities to the amount of $1,222,500.00 to mature on August 15, 1917.

***Marketability:*** Securities to the amount of over $30,214,000 have to date been issued and purchased almost entirely by Banks and Trust Companies in Canada and the United States and other conservative investors. Of these $25,195,000 have been matured and paid from the proceeds of the underlying collateral.

This Corporation will gladly give the names of leading banks in the financial centers who purchase these securities regularly. Our new booklet, "Collateral Trust Securities" giving full data concerning this form of short time investment will be sent promptly upon mail or telephone request.

***Contents of Booklet:*** Self Liquidation; Maturities; Insurance Protection; 10,000 Name Paper; Margin of Security; Volume of Paper; Collection Record of Underlying Collateral; Vocational Diversification of Underlying Names; Geographical Distribution of Underlying Names; Credit Check on Underlying Collateral.

**GUARANTY SECURITIES CORPORATION**
Capital $1,000,000.00. Undivided Profits $218,698.02.
NATIONAL TRUST BLDG. - MONTREAL
Head Office New York - - San Francisco

# HOSIERY TRADE IS BEING BUILT UP IN CANADA

## Monarch Knit Business For Next Spring Double Total for 1917.

## "DECIDEDLY SATISFACTORY"

### Is Report of General Manager on Volume of Business—Greater Buying Facilities Vindicated by Results.

A war-time development in the Canadian knitting industry is indicated by the success of the Monarch Knitting Company in the manufacture of hosiery, a line taken up in addition to the staple product of sweater coats, through the cutting-off of German products and the interference with shipments from England. General Manager J. A. Burns makes the statement in connection with this department that "Our hosiery sales have been particularly gratifying. For spring of 1918 the bookings are one hundred per cent. larger than for the total volume of both spring and fall of 1917. This we believe will develop into a very important end of the business." Further it is indicated that when the statement of the company for the year ending November 30 is received by the shareholders, it should prove one of the most satisfactory ever issued and, indeed, it may be the best in the history of the concern. This is indicated by Mr. Burns' statement: "We might mention that our volume of business for the past year has certainly been decidedly satisfactory."

The information regarding the making of hosiery is very significant. The Monarch Knitting Company for many years was not only by far the largest maker of sweater coats in Canada but its whole output was confined to this line with the exception of an accessory line of toques, mitts, scarfs, etc. The time came when the popularity of the sweater coat seemed to be on the wane; when the retail merchants began to report sales as not so brisk; when it appeared that the "vogue" of the sweater coat was nearing an end. What did happen, as the trade explained it, was that the splendid wearing qualities of the coat were such that a customer of this year would not return for several years: his coat simply would not wear out. At the beginning of the war the Monarch Knitting Company, as a result, had a fairly large stock that had accumulated, particularly as the retail buying had seen a slump with the opening of the war, but this stock was disposed of for the most part through the immediate demands for military purposes. But the condition that had developed probably made it clear to the company that it was not wise to have "all their eggs in one basket," and in 1915 plans were begun for the establishment of a hosiery factory.

At the time this was announced THE FINANCIAL POST expressed the opinion that this move was a wise one, and that the new branch might eventually grow into the most important department of the business. The figures of the general manager, as quoted above, bear out this development, and imply that the business for 1918 in hosiery may be four times that of 1917. The hosiery business in Canada is one that is capable of wonderful development. For many years by far the greater part of what was used here had to be imported. Of late companies like Penmans, the Mercury Mills of Hamilton (developed by John Penman after he left the Paris business), and others have greatly increased the proportion of "home-made" hosiery that is used in Canada, and with the quantity the quality has improved. The Monarch Knitting Company thus entered into a field of wide possibilities, and the large increase in their business shows that the trade has approved of their output. The lines carried include men's, women's and children's, in cotton, woolen, silk, mercerized, and indeed the whole gamut. The wide range not only enlarges the possibilities of sales, but cuts down proportionately the cost of selling.

**Generous Loans Required.**

It will be remembered that after the last meeting a special meeting of shareholders authorized the President, F. R. Lalor, M.P., and the general manager to make personal arrangements for generous loans from the banks through a personal guarantee. The reason for this was that it was imperative to secure a large credit if the company was to carry the heavy stock of raw materials that would be necessary in the face of the uncertainties of deliveries of wool and yarns. At the time the inventories of the company showed goods on hand, raw and manufactured, of over $1,000,000 as compared with a little over half a million one year before, and with prices rising rapidly this year the advances from the banks probably would have to exceed the amount of $805,000 of one year ago.

The benefit derived from the action taken at the meeting would appear to be indicated by the results.

The profits last year were $145,534, as compared with $83,533 for 1915, and $80,452 the year before. The previous year, 1913, showed $171,492 profits, and this year is likely to exceed this previous record by a fair margin.

# To Maintain Canada's Standing in the World of Business

The world recognizes the practical patriotism of Union Government, with its policy of raising reinforcements under the Military Service Act, 1917, and of directing all resources and energies toward the winning of the war.

If Laurier and Bourassa succeeded in the election British and Allied purchases would in all probability be diverted from Canada.

## SUPPORT UNION GOVERNMENT

The material aspect of the present campaign cannot be overlooked. Canada has had no cause to complain of the volume of war orders placed with her by Great Britain and latterly by the United States. All indications at present are for the continuation of this prosperity, but the prospect would be shattered in the event of a Laurier victory at the polls.

## Canada's Future Borrowing Power

There can be no question in the mind of the clear-headed business man that Canada's future history is being shaped in these strenuous days.

So far our Allies have nothing but admiration for us. Canada's credit is good and she has well earned the confidence she enjoys. The war will not last forever and there will come a day when Canada will want to borrow money abroad. If for no other reason, we must keep right with our Allies.

## Vote for the Unionist Candidate

*Unionist Publicity Committee*

## CRUDE OIL ADVANCE.

### Pennsylvania Grade Up Another 25 Cents a Barrel.

NEW YORK.—Pennsylvania grade of crude oil has been advanced 25 cents a barrel to $3.75. This is a record high price. In line with the advance in Pennsylvania grade crude to $3.75 a barrel, Corning grade has been advanced 20 cents to $2.80. Cabell 15 cents to $2.72, Somerset 15 cents to $2.55 and Ragland 10 cents to $1.20 a barrel.

The advance in the price of Pennsylvania crude oil to $3.75 a barrel is regarded as especially significant. It is thought that the matter of price-fixing on crude oil by the Government is not being considered. As a matter of fact, advices to oil men are to the effect that after investigation the Government does not contemplate regulating the price of crude oil or gasoline. There has been a fixed price at which the oil is sold to the Navy and that is as far as regulation has gone, or is likely to go, in the opinion of these oil men.

The new price of $3.75 a barrel is the highest since 1876, and for all practical purposes it is the highest price on record, when the comparative importance of the industry then and now is considered.

Reason for the advance is found in the fact that consumption of crude oil is exceeding production at the rate of 26,000,000 barrels a year. This shortage, which is being made good by withdrawing stocks from storage, is taking place at a time when production is at the rate of 1,000,000 barrels a day, the largest ever known.

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Creation of a general Food Purchase Board to co-ordinat[illegible] the buying of foodstuffs for the U[illegible] S. army and navy and for the all[illegible]ed governments, is announced by [illegible]od Administrator Herbert C. Hoo[illegible]

## DIVIDENDS DECLARED.

### OTTAWA LIGHT, HEAT & POWER CO. LIMITED

DIVIDEND No. 46

NOTICE is hereby given that a quarterly dividend of 1½% (one and one-half per cent) being at the rate of 6% per annum, on the capital stock of this Company has been declared for the period ending December 31st, 1917, payable on January 1st, 1918, to shareholders of record at the close of business on the 20th day of December, 1917.

The transfer books of the Company will not be closed.

By order of the Board.

D. R. STREET,
Secy.-Treas.

Ottawa, December 10th, 1917.

### The Bank of Nova Scotia

DIVIDEND No. 192.

NOTICE is hereby given that a Dividend at the rate of Fourteen per cent. per annum on the paid-up Capital Stock of this Bank has been declared for the quarter ending December 31st, and that the same will be payable on and after Wednesday, the 2nd day of January next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,

H. A. RICHARDSON,
General Manager.

Halifax, N.S., November 20th, 1917.

### The Steel Company of Canada, Limited

ORDINARY DIVIDEND No. 4

NOTICE is hereby given that a dividend of one and one-half per cent. on the issued and fully paid ordinary shares of the Company has been declared for the quarter ending December 31st, 1917.

PREFERENCE DIVIDEND No. 26

NOTICE is also given that a dividend of one and three-quarters per cent. on the issued and fully paid preference shares of the Company has been declared for the quarter ending December 31st, 1917.

The above dividends are payable February 1st, 1918, to shareholders of record at close of business January 15th, 1918.

By order of the Board,

H. H. CHAMP,
Treasurer.

Hamilton, Ontario, Nov. 29th, 1917.

### The Real Estate Loan Co. of Canada, Ltd.

DIVIDEND No. 62.

NOTICE is hereby given that a Dividend at the rate of three and one-half per cent. for the half-year ending 31st inst., has been declared upon the Capital Stock of the Company, and that the same will be payable at the Office of the Company in Toronto, on and after 2nd January, 1918. The Transfer Books of the Company will be closed from 15th to 31st December, both days inclusive.

By order of the Board,

E. L. MORTON, Manager.

Toronto, 1st December, 1917.

### The Riordon Pulp & Paper Co., Limited

Preferred Stock Dividend No. 22.

NOTICE is hereby given that a dividend of 1¾% (being at the rate of 7% per annum), on the preferred stock of this Company, has been declared payable December 31st, 1917, to shareholders of record at the close of business December 18th, 1917.

By order of the Board,

F. B. WHITTET,
Secretary-Treasurer.

Montreal, December 7th, 1917.

### Provincial Paper Mills Company, Limited

NOTICE IS HEREBY GIVEN that dividends of one and three-quarters (1¾%) per cent. on Preferred Stock, and one (1%) per cent. on Common Stock of this Company have been declared for the current quarter, both payable January 2nd, 1918, to shareholders of record at the close of business December 15th, 1917.

By order of the Board,

S. F. DUNCAN,
Secretary-Treasurer.

Dated Toronto, December 8th, 1917.

### GUELPH AND ONTARIO INVESTMENT AND SAVINGS SOCIETY

(Incorporated A.D. 1876)

| | |
|---|---|
| Authorized Capital | $1,000,000.00 |
| Paid-up Capital | 711,983.00 |
| Reserve Fund | 687,122.50 |
| Total Assets | 4,142,716.78 |

NOTICE IS HEREBY GIVEN that a Dividend of Five Per Cent. for the current half year (being at the rate of Ten Per Cent. per annum) upon the paid-up Capital stock of this Institution has been declared, and that the same will be payable at the Society's Office, corner Wyndham and Cork Streets, Guelph, Ontario, on and after WEDNESDAY, JANUARY 2nd, 1918.

The transfer books will be closed from the twentieth to the thirty-first day of December, 1917, both days inclusive.

J. E. McELDERRY,
Managing Director.

Guelph, December 5th, 1917.

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# REORGANIZATION CANADA CEREAL NOW EFFECTED

## A. C. McLeod, of Stratford, Has Taken Over the Management.

## OUTPUT 2,500 BARRELS

### H. T. Jamieson, Who Acted as Manager Under Receivership, Reports Satisfactory Results for the Past Year.

The reorganization of the Canadian Cereal and Flour Mills Company has been effected. A. C. McLeod, of the McLeod Milling Company, Stratford, takes over the management that has been in the hands of H. T. Jamieson since he was appointed receiver four years ago. The big programme of the early days of the company with properties that could not be operated at a financial advantage, coupled with inefficient management, made a receivership necessary. The company, however, is now once more on its feet, and Mr. Jamieson is authority for the statement that the earnings during the past year were of a very satisfactory character.

During the first two years of the receivership Mr. Jamieson was able by careful management and a general policy of centralizing the activities of the company to put it on a reasonably sound basis, so that two years ago there was a reorganization, with Mr. Jamieson as manager and a dummy board of directors. A continuation of the policy of the first two years succeeded in putting the company on such a satisfactory basis that it was possible to get the interest of a trained and able milling man, a thing that had been impossible before. This had become a practical necessity, as Mr. Jamieson's other activities compelled him to turn over the management of the concern.

Recently the financial position of the firm has been improved by the sale of the 300-bbl. London mill of the company. This increased capital made it possible to open the Tilsonburg Flour and Oat Mill, a mill with 1,000-bbl. capacity, which had been closed for the past four years.

This, with the incorporation of the McLeod mill at Stratford, gives the company a daily capacity of 2,500 barrels, while in addition to this the mill at Lindsay may possibly be opened in the near future. The company now has mills at Ayr, Galt, Tilsonburg, Stratford, Lindsay, and a small mill at Embro that has been idle for some time.

The recently appointed Board of Directors consists of the following: A. C. McLeod, H. T. Jamieson, K. W. Blackwell, F. E. M. Smith, W. M. Dobell, John Wilson. Mr. McLeod has already taken over the management of the concern, though Mr. Jamieson is still in active co-operation with him.

The head office of the company will be in Stratford, owing to the accessibility of the other operating points of the company from that city.

---

### Nipissing Mines Co.

Limited

165 BROADWAY, NEW YORK

Dec. 6th, 1917.

THE Board of Directors has to-day declared a regular quarterly dividend of Five per cent. and an extra dividend of Five per cent., payable January 21, 1918, to shareholders of record as of December 31, 1917. The transfer books will close December 31, 1917, and reopen January 18, 1918.

P. C. PFEIFFER, Treas.

### The Consolidated Mining & Smelting Co. of Canada, Limited

DIVIDEND No. 27.

NOTICE IS HEREBY GIVEN that a Dividend of Two and a Half Per Cent. (2½%) on the paid-up Capital Stock of the Company for the quarter ending December 31st, 1917, being at the rate of ten per cent. per annum, has this day been declared, payable January 2nd, 1918, to shareholders of record at the close of business on the 15th day of December, 1917.

By order of the Board,

J. KITTO,
Secretary.

Toronto, December 7th, 1917.

### The Royal Bank of Canada

Annual Meeting

THE ANNUAL GENERAL MEETING of the Shareholders of the Bank will be held at the Head Office, 147 St James Street, in the City of Montreal, on THURSDAY, the 10th DAY OF JANUARY, 1918 at 11 o'clock a.m.

C. E. NEILL,
General Manager

Montreal. December ' 1 17

### THE HURON & ERIE MORTGAGE CORPORATION

Quarterly Dividend No. 121

NOTICE is hereby given that a dividend of three per cent. for the quarter ending December 31st, 1917, being at the rate of twelve per cent. per annum upon the paid-up capital stock of this Corporation has been declared, and will be payable at the Corporation's office in this city on and after Wednesday, January 2nd, 1918, to shareholders of record at the close of business on December 15th, 1917.

By order of the Board,

M. AYLSWORTH,
Secretary.

London, Canada, Dec. 4th, 1917.

### The Canadian Crocker-Wheeler Co.

Limited

DIVIDEND NOTICE

THE Directors of The Canadian Crocker-Wheeler Company, Limited, have declared a One and Three-quarters per cent. (1¾%) dividend on the preferred stock of the Company for the three months ending December 31st, 1917, to shareholders of record December 21st, 1917. Also a dividend of One and Three-quarters per cent. (1¾%) and a bonus of Three per cent. (3%) on the Common stock of the Company for the three months ending December 31st, 1917 to shareholders of record December 21st, 1917.

The stock books will be closed from the 21st to the 31st of December, both days inclusive.

Checks will be mailed to shareholders on December 31st, 1917.

By order of the Board.

L. R. GRIMSHAW,
Secretary-Treasurer.

St. Catharines, December 12th, 1917.

ANNUAL MEETING

### Bank of Nova Scotia

NOTICE is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 23rd January next, at Eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors, and for other business.

By order of the Board,

H. A. RICHARDSON,
General Manager.

Halifax, N.S., December 14th, 1917.

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## NEW HIGH RECORD FOR MONTREAL COTTONS

### Last Year's Large Increase Will be Surpassed in Report for 1917.

Special to The Financial Post.

MONTREAL.—The present year, THE FINANCIAL POST understands, will see a new high record in business established by Montreal Cottons, Limited, in connection with their Valleyfield mill, in spinning, dyeing, finishing, bleaching and cotton cloth manufacturing. The business for 1917 has been more than the mills have been able to supply on account of the lack of labor. Without allowing for the advance in the selling prices of the goods, the turnover has exceeded that of last year, and the profits have been assured owing to the heavy demand made upon the mills. Not only so, but it is stated that "business for next year (advance orders) is keeping up," which means that this is assured for months to come.

The mills have been too busy with domestic trade to go after any United States orders, but are now in negotiation to supply aero cloth for the wings of aeroplanes. This will be a distinctly new line for Montreal Cottons, but the company has shown itself enterprising in the case of more than one line since the war began, and forced readjustments in many directions.

Some of the figures in the statement for 1916 as compared with previous years will be of interest as pointing to at least an equal earning power of 1917.

The cloth sales were $4,397,824, compared with $3,055,367 in 1915, or adding cloth in process, and deducting cloth stock (forward) $4,501,937 compared with $2,803,602. The new cotton supplies were, as might be expected with cotton prices advancing, quite high, $3,437,046 compared with $1,922,046; and this year's figures are certain to show a heavy advance on this, with raw cotton 30 cents in place of 20 cents one year ago. The gross profits last year $473,688 as against $394,899 in 1915, and $368,621 in 1914. The dividends paid amounted to $330,000, and the balance carried forward was $116,782.

## WAR INDUSTRIES BOARD.

### Vice-President of Deere & Co. Has Been Appointed.

George N. Peek, vice-president of Deere & Co., of Moline, Ill., has been appointed by the War Industries Board as industrial representative to meet with manufacturers who have facilities which may be devoted to the production of munitions or other material required by the government or the allies, and to consider to what extent such plants may or should be utilized for such purposes or otherwise be employed advantageously and advise the board in the premises.

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# PREPARING FOR READJUSTMENTS AFTER THE WAR

## Important Views of Assistant Manager of Imperial Bank.

While the future is veiled in uncertainty and there is little in precedent which can be utilised the men who are close students of business affairs can see certain sign posts, vaguely though it may be, and their opinions should be carefully considered. In this connection are given the remarks of Wm. Moffatt, assistant general manager of the Imperial Bank, at a recent meeting of the Canadian Credit Men's Association, as follows:

Your president has asked me to say a few words to you regarding the present financial situation as it appears to a banker, and to give my impression of what the conditions are likely to be after the war. Prophesying is a thankless task, but all business is more or less based upon our ability to gauge the future.

I may be wrong, but in my opinion the process of re-organization after the war is likely to impose upon financial interests a greater strain than anything we have felt in the past. At present practically the whole machinery of the country is directed to the prosecution of war—this condition of affairs is abnormal and must sooner or later come to an end. When that end comes—which we hope will be soon—manufacturers must face about and direct their energies, first, to the production and then to the sale of a different class of products. The machinery which is now making shells must be used to make something else or it must be scrapped. If it is scrapped it will only bring scrap prices; if used to make products required in ordinary life a market must be found for them after they are produced. This means organization for selling as well as for producing. If, on the other hand, the war is to go on for another year we can look forward to a demand for almost everything that this country produces, especially for the products of agriculture; but these products must be paid for in cash or its equivalent if the country is to benefit. If we can make, as appears likely, shells for the American Government these will be paid for in cash or equivalent credits in New York. If we sell our wheat and other farm products against payment in New York the country will be ahead to that extent; but if, on the other hand, these products are to be settled for by loans from Canadian banks or the Canadian Government the result may be a curtailment of mercantile banking credits unless through currency inflation the burden is shifted on to the people of Canada as a whole.

When the war is over our taxes must be heavy, provision will have to be made for interest upon loans which have been created, and the profits which we have been receiving on munition contracts will not be forthcoming. The public as a whole will have diminished purchasing power seeing that lower prices will have to be accepted for products without a corresponding reduction in cost of production, and we shall at the same time have to face a declining market for goods carried.

On the other hand, we have a magnificent country — one of almost unlimited natural resources. On a recent visit to the West, including the Peace River country, I had the pleasure of travelling over a considerable portion of territory, and I have no hesitation in saying the country is one of which every Canadian should be proud. There are miles of farms, but the farmers who are now cultivating them are only the scattered pioneers of future citizens. We have room there for ten times the present population without crowding, and good land for all. This country is fundamentally sound, and once the war is over a period of real prosperity will, I am satisfied, ensue—not immediately, but as soon as the re-adjustments have been made.

We expect great things from our shipbuilding program, and while the war lasts and also during the reconstruction period there is room for optimism. Whether we can continue to build ships in competition with the world when conditions are normal I am not prepared to say, but it appears to me to be at least doubtful. We have the raw material and all facilities except cheap labor. With our scale of wages, which is bound for years to be higher than in Europe, I question our ability to compete in the open market with the cheaper labor and Europe's necessity for greater production, and unless we can do so shipbuilding cannot be made a permanent success. The waters of the ocean being free to all, a ship built in Japan by cheap labor can carry freight to New York from Liverpool at lower rates than a Canadian vessel built under different conditions.

There is the Russian market also to consider, which, no matter what has happened or may happen, is bound to be a large factor. The Russians may have to go through one or more revolutions before they settle down, but I have no doubt as to the ultimate result. They are of little or no assistance to us at present, but after the war the purchasing power of 150,000,000 cannot be ignored, and Canadians should not forget that we are in a position to obtain a share of this trade if we cultivate it properly and in time.

This address, the remainder of which is printed on page 9, was delivered before about one hundred representatives of wholesale houses from all parts of the province, the meeting being presided over by the president, W. H. Lamont.

## LICENSES FOR DISTRIBUTORS OF ALL FOODS.

Continued from page 1

goods to the recognized wholesale trade.

It will be seen that these proposals if acted upon by the Food Controller's department ensure a very clear cut line between the different branches of the trade.

The licensing would prevent the wholesaler selling direct to the consumer as the wholesaler doing this type of business would have to make that fact amply manifest, or else be in danger of losing his license. Thus the trade that legitimately belongs to the wholesaler would be his and the retailer would be free from wholesale encroachments.

A definite understanding of the status of each branch of the trade is another important item on the proposals. This will decide the conditions that constitute a manufacturer, a wholesaler or jobber, or a retailer. There have been tendencies at times for these different activities to overlap one another. Under this new regime the character of each distributing activity would be definitely defined.

Every retailer would be required to have a license under the new proposals. This would be granted to all existing businesses. These businesses would however be compelled to maintain a certain standard. The stores would have to be kept in sanitary conditions and have a certain measure of equipment. This necessarily means they would have to be inspected.

### Some Restrictions.

For the man who desires to get into the trade the course would not be quite so simple as it has been in the past. To obtain a license it would be necessary for the applicant to have served an apprenticeship of some years in some grocery business. In this connection two years has been mentioned. He would moreover have to have a certain financial backing. The capital to begin with would in all probability be placed in the neighborhood of $1,000. The store he occupied would have to possess sanitary conveniences and sanitary equipment capable of the proper protection of the goods to be sold. Only under some such terms would a license be granted, if these suggestions go through.

The license fee would be merely nominal. It is probable, for instance, that a small business would carry a license fee of only a dollar a year while a business having a turnover of a hundred thousand would have a license fee of five dollars, and five dollars for every additional $100,000.

The funds thus obtained would it is suggested be used for administration expenses.

There is a suggestion of the appointment of provincial committees with representatives of the manufacturing, wholesale and retail interest, these to form advisory committees to work in conjunction with the Deputy Food Controller, while a committee from these committees would form a Dominion advisory council. The expenses of these organizations would be met by the license fee imposed, so that there would be no call upon the government for assistance.

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Postal savings deposits in Japan have reached $199,518,643, an increase of $57,826,000 in a year.

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India's jute crop is estimated at 8,904,000 bales, against 8,380,000 bales last year.

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## EXPERT MINDS GET RESULTS.

Continued from page 1.

entirely to his employing two classes of experts—the bond dealers of the country, whose life business is to sell this class of security, and next the press of the country, whose business it is to give the public information. We do not always agree with Sir Thomas. There have been occasions when we said he was decidedly wrong; and we believe each time he has gone wrong it was because he jumped to his own conclusions without consulting the experts or the interests affected. In consulting and employing experts he has shown himself a big man. Let us impress this thought on the new Cabinet.

A question which Sir Thomas has yet to settle—and it is a delicate one—is the remuneration of the experts who organized and carried through to a remarkable success the Victory Loan campaign. There should, we believe, be no parsimony in dealing with men whose regular source of livelihood has been shot to pieces for months by the Government's arrangements for securing needed funds. At the same time, care should be exercised in keeping the return within reasonable limits, so that the average investor in the Loan may not feel that there has been profiteering among the men who engineered the campaign. As for the latter, they have a duty both to the public and themselves to perform in guarding against the slightest suspicion that there has been a utilization of opportunities for personal or corporate advantage. We all know that the country is in no humor for any such revelations.

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WAR BONDS

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Splendid Investment Opportunities at Attractive Prices.

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C.P.R., - - - - 4,500

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ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter 1727.
Paid-up Capital - - £2,000,000
Rest & undivided profits £800,986

Head Office
St. Andrew Square, Edinburgh.
Cashier and Gen. Manager, A. K. Wright, Secretary, J. B. Adshead.
London Office, 3 Bishopsgate, E.C.
Wm. Wallace, Manager.
Glasgow Office, Exchange Square.
A. Dennistoun, Agent.
167 Branches throughout Scotland

Banking business of every description transacted. Accounts opened and agency business undertaken for Foreign and Colonial Banks and other financial establishments. Bills, Cheques and other documents collected. Drafts, Circular Notes and Letters of Credit issued—available throughout the world. Cable transfers are also made. Deposits received at interest repayable at call or at notice. Correspondence invited.

The UNION BANK OF AUSTRALIA, Ltd.

Established 1837. Incorporated 1880.
CAPITAL:—
AUTHORIZED and ISSUED ........£6,000,000
Paid-up Capital..£2,000,000
Reserve Fund....£1,980,000 Together ....£3,980,000
Reserve Liability of Proprietors.......£4,000,000
Total Capital and Reserve ..............£7,980,000

Head Office: 71, CORNHILL, LONDON, E.C.

DIRECTORS.
HENRY P. STURGIS, Esq. (Chairman).
The Rt. Hon. the Earl of Chichester.
John Dennistoun, Esq.
Hugh D. Flower, Esq.
Charles A. Galton, Esq.
S. R. Livingston-Learmonth, Esq.
William R. Mewburn, Esq.
The Hon. A. R. Mills, M.P.
Robert C. Nesbitt, Esq.
Frederick G. Parbury, Esq.
Sir Westby B. Perceval, K.C.M.G.

Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.

The Bank has 41 Branches in VICTORIA, [illegible] in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Northern Crown Bank

HEAD OFFICE, WINNIPEG

Capital (authorized) - $6,000,000
Capital (paid up) - - $1,431,200
Rest and Undivided Profits $848,554

DIRECTORS.
President, Capt. Wm. Robinson.
Vice-President, Jas. H. Ashdown.
W. R. Bawlf, A. McTavish Campbell, Sir Douglas Cameron, K.C.M.G. E. F. Hutchings, John Stovel.

General Manager - Robert Campbell

A GENERAL BANKING BUSINESS TRANSACTED

V. F. CRONYN
Manager - - - - Toronto Branch

---

Strange stories that we hear throw light upon the chaos in Russia. In one case workmen appeared in the office of the mining engineers and insisted that the masters must do their share of labor underground, while the men took turns in attending to the sedentary office work.

**THE ROYAL BANK OF CANADA**

INCORPORATED 1869

| | |
|---|---|
| Capital Authorized - - - | $ 25,000,000 |
| Capital Paid Up - - - | 12,911,700 |
| Reserve and Undivided Profits, | 14,324,000 |
| Total Assets - - - - - | 311,000,000 |

HEAD OFFICE, MONTREAL

365 Branches in Canada and Newfoundland
Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela

BRITISH WEST INDIES

ANTIGUA — St. John's; BAHAMAS — Nassau; BARBADOS — Bridgetown and Speightstown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; MONTSERRAT—Plymouth; ST. KITTS—Basseterre; TRINIDAD—Port of Spain and San Fernando; TOBAGO—Scarborough; BRITISH HONDURAS—Belize; BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne)

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NEW YORK CITY
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BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS.
SAVINGS DEPARTMENT AT ALL BRANCHES.

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If you are, and desire to be relieved of the detail work of the Estate, we would be pleased to act as your Agent. The law gives you the right to employ us, and our charges are very moderate.

**Montreal Trust Company**

Sir Herbert S. Holt, President. A. J. Brown, K.C., Vice-President.
TORONTO OFFICE: ROYAL BANK BLDG.
J. F. Hobkirk, Manager

**THE ROYAL TRUST COMPANY**

EXECUTORS AND TRUSTEES

HEAD OFFICE, MONTREAL.

Capital Fully Paid, $1,000,000. Reserve Fund, $1,000,000.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir H. Montagu Allan, C.V.O., Vice-President.

R. B. Angus — Sir Charles Gordon, K.C.B.E. — William McMaster
E. W. Beatty, K.C. — Hon. Sir Lomer Gouin, K.C.M.G. — Major Herbert Molson, M.C.
A. D. Braithwaite — C. R. Hosmer — Lord Shaughnessy, K.C.V.O.
E. J. Chamberlin — Lt.-Col. Bartlett McLennan, D.S.O. — Sir Frederick Williams-Taylor
H. R. Drummond — A. E. Holt, Manager

TORONTO BRANCH - - - - - - - 59 YONGE ST
BRUCE L. SMITH - - - - Manager

**The Standard Trusts Company**

Dividend Number 27

NOTICE is hereby given that a dividend at the rate of 9% per annum upon the paid up capital stock of the Company has been declared for the half year ending December 31st, 1917, and that same will be payable at the offices of the Company on and after January 2nd, 1918.

The Stock transfer books will be closed from the 16th to the 31st of December, both days inclusive.

By order of the Board,
WILLIAM HARVEY,
Managing Director.

Winnipeg, Man., Dec. 1st, 1917.

The most important document a person of large or small means is called on to prepare is his

**LAST WILL AND TESTAMENT**

It means the happiness and welfare of those most dear.
Ask for booklet: "Make Your Will."

CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
PAID-UP CAPITAL AND RESERVE 860,225.00

**The Imperial Canadian Trust Co.**

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

HEAD OFFICE: WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

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**THE EMPIRE LOAN COMPANY, Winnipeg, Man.**

**The Verdict of a Life-Long Experience**

Speaking of the advisability of providing in a Will that the Estate shall have a Corporate Executor, the late eminent authority, Sir Mortimer Clark, said: "It is the only method that assures absolute safety." We refer to our thirty-five years' record and solicit appointment in your Will as Executor.

BOOKLET, "MAKING YOUR WILL," ON REQUEST.

**THE TORONTO GENERAL TRUSTS CORPORATION**

Capital and Reserve $3,350,000.00 — Assets $77,180,513.62

Head Office: 83 Bay St. Toronto

# MONEY, BANKING AND EXCHANGE

## BANK CLEARINGS IN EAST SHOW BIG INCREASE

### Many Cities Show a Marked Falling Off During Week.

### DECLINE FOR CANADA 0.2%

### Fort William, New Westminster, Victoria and Vancouver Showed Gains—East Showed Falling Off.

For the week ending Thursday last bank clearing returns as reported to THE FINANCIAL POST showed a falling off as compared with the figures for the corresponding period in 1916 of .2 per cent. For the week the clearings totalled $248,166,516 compared with $248,713,352 a year ago and $295,205,308 for the previous week. Western cities showed a gain of $12,699,435 or 15.1 per cent. while in the East there was a decline of $13,246,271 or 8.0 per cent. In the East Toronto showed a falling off of $8,141,142 while Montreal with a total of $76,727,405 was $5,864,100 below the figures for last year. The cities in the West to show the largest percentage gains were Fort William 80.8 per cent., New Westminster 47.8, Victoria 45.6 and Vancouver 40.8 per cent. For the year to date the clearings amount to $12,086,153,529 or an increase of $1,892,741,615. Following are comparative figures:

WEEKLY BANK CLEARINGS.
(In comparison with same week last year.)

Eastern Cities.

| | Dec. 13, 1917. | Change. | % |
|---|---|---|---|
| Montreal ..... | $ 76,727,405— | $ 5,864,100 | 7.1 |
| Toronto ...... | 53,681,685— | 8,141,142 | 13.1 |
| Ottawa ....... | 5,850,473+ | 627,200 | 12.0 |
| Hamilton .... | 4,808,166+ | 223,547 | 4.8 |
| Quebec ....... | 3,955,929+ | 184,444 | 4.9 |
| London ...... | 2,222,243— | 126,371 | 5.4 |
| St. John ..... | 1,958,513— | 82,606 | 4.0 |
| Brantford .... | 690,443— | 84,762 | 11.0 |
| Peterboro .... | 608,262— | 11,017 | 1.7 |
| Sherbrooke .... | 540,895— | 76,880 | 12.4 |
| Kitchener .... | 684,597+ | 105,416 | 18.2 |
| Total, East.. | $151,728,611— | $ 13,246,271 | 8.0 |

Western Cities.

| | Dec. 13, 1917. | Change. | % |
|---|---|---|---|
| Winnipeg .... | $ 61,825,124+ | $ 6,282,044 | 11.3 |
| Vancouver .... | 9,695,169+ | 2,809,361 | 40.8 |
| Calgary ...... | 8,466,209+ | 1,573,175 | 22.8 |
| Edmonton .... | 3,344,214+ | 630,867 | 23.3 |
| Victoria ...... | 2,159,225+ | 675,074 | 45.6 |
| Regina ....... | 3,775,384+ | 322,511 | 9.4 |
| Saskatoon .... | 1,998,091+ | 33,054 | 1.6 |
| Moose Jaw ... | 1,506,170+ | 106,007 | 7.6 |
| Ft. William .. | 1,028,158+ | 459,272 | 80.8 |
| Brandon ..... | 764,750+ | 100,631 | 15.1 |
| Lethbridge ... | 884,821— | 363,149 | 29.2 |
| N. Westm'ster. | 399,441+ | 129,015 | 47.8 |
| Medicine Hat . | 591,149— | 58,427 | 9.0 |
| Total, West. | $ 96,437,905+ | $ 12,699,435 | 15.1 |
| Gr. total .. | $248,166,516— | $ 546,836 | 0.2 |
| Yr. to date. | $12,086,153,529+ | $1,892,741,615 | 18.5 |

### U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending December 6 aggregate $6,983,670,000, against $4,888,860,000 last week and $7,014,316,000 in this week last year, a decrease of .4 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:—

(000's omitted)

| | Dec. 6 | I. or D. | Nov. 29 |
|---|---|---|---|
| New York... | $3,983,470 | D 10.0 | $2,671,065 |
| Chicago .... | 547,555 | I 3.0 | 393,382 |
| Philadelphia.. | 407,268 | I 22.3 | 281,857 |
| Boston ..... | 317,065 | I 19.0 | 212,750 |
| St. Louis.... | 175,685 | I 27.0 | 127,822 |
| Kansas City. | 179,482 | I 34.4 | 165,113 |
| S. Francisco. | 114,513 | I 19.7 | 86,709 |
| Pittsburgh .. | 82,363 | I 3.0 | 69,675 |
| Cleveland ... | 81,385 | I 12.7 | 59,126 |
| Detroit ..... | 55,094 | D 5.6 | 42,395 |
| Baltimore. . | 50,186 | D 7.9 | 35,198 |
| Cincinnati .. | 41,614 | I 2.6 | 33,908 |
| Minneapolis.. | 42,899 | D 2.9 | 32,015 |
| New Orleans | 62,054 | I 38.1 | 48,136 |
| Los Angeles. | 31,398 | D 7.5 | 24,343 |
| Omaha ..... | 46,992 | I 37.8 | 38,659 |
| Milwaukee .. | 30,992 | I 6.2 | 20,377 |
| Atlanta ..... | 58,078 | I 76.3 | 42,756 |
| Louisville .. | 24,195 | I 12.1 | 15,548 |
| Richmond .. | 36,962 | I 67.0 | 32,412 |
| Buffalo ..... | 28,803 | I 40.1 | 15,798 |
| Seattle ..... | 27,227 | I 40.0 | 22,284 |
| St. Paul..... | 20,052 | I 11.6 | 12,391 |

### MONEY.

The feature of the week has been the advance in call money rates in New York to 6 per cent., from a close of 3½ per cent. last week. The heavy decrease in surplus reported in Saturday's bank statement and the large repayments of government deposits which the banks had to make during the week were responsible for the sharp advance in rates. Incidentally there was some calling of loans. In time loans, however, the situation showed no essential change. Transactions assumed only very moderate proportions and rates were quoted about the same as at the close of last week. Offerings showed no increase, although it is said that the inquiry from large stock exchange firms was light.

The rate on government loans to farmers was raised during the week by the Federal Farm Loan Board from 5 per cent. to 5½ per cent. in anticipation of a prospective increase in the present 4½ per cent. rate on farm loan bonds. In spite of this development, Secretary of the Treasury McAdoo stated that he hoped future issues of Liberty bonds would bear 4 per cent. interest, the same as the second loan.

### EXCHANGE.

One-quarter per cent. premium to the buyer was the high point touched by New York funds during the week and that was on Monday. A distribution of grain bills then tended to weaken the situation, the smaller banks being relieved of the necessity of buying. On Tuesday, funds fell back to a premium of 3/16 and on Wednesday to ⅛ to the seller. Yesterday's funds were quoted ⅛ bid and asked.

There has been very little change in European exchanges. Sterling, both demand and cables, has been steady. Francs have held at 5.73½ for cheques and 5.71¼ for cables. Roubles opened at 12.50 for cheques and 12.90 for cables, advanced to 13.25 and 13.35 and were quoted yesterday at 13.00 and 13.60.

### MERCHANTS.

F. C. Fawcett, who for the past ten years has been manager of the Portage la Prairie branch of the Merchants Bank, has been transferred to the branch at Stratford, Ont.

### STANDARD.

Mr. Montgomery of the Bradford branch of the Standard Bank has been to the branch at Vancouver.

### MONTREAL.

William Dick, manager of the Spokane branch of the Bank of Montreal, has received a medal from the head institution in recognition of his 40 years of service with the institution. The medal is of solid silver and is issued by the bank in commemoration of the 100th anniversary of its founding.

### COMMERCE.

At the annual convention of the American Bankers' Association, recently held at Atlantic City, N.J., Sir John Aird, general manager of the Canadian Bank of Commerce, was elected vice-president of the association for Canada. The American Bankers' Association was founded in 1875, and over 17,000 banks comprising all the foremost institutions of the United States are now members. the annual convention, at which the election took place, was attended by over 2,200 delegates from all parts of the United States, and included almost all the prominent bankers of the country.

### NOVA SCOTIA.

The annual meeting of the Bank of Nova Scotia has been set for January 23rd in Halifax.

### MOLSONS.

G. W. Swaisland, manager of the Molsons Bank at Edmonton, has been transferred to the branch at Vancouver to relieve T. Beresford Phepoe, the manager, who has been indisposed and is being given a six months' vacation.

### UNION.

Philip Vibert, who left British Columbia about two years ago as superintendent of British Columbia branches of the Union Bank of Canada with headquarters at 550 Hastings St. W., Vancouver, to take up the position of manager of the main office branch at Winnipeg, has recently been in British Columbia on a trip of inspection having been appointed a short time ago, chief inspector of the bank. "Conditions throughout the Dominion are prosperous," said Mr. Vibert, "and perhaps they have never been more so than on the prairies at the present time. About two hundred million bushels of wheat with other grains in like proportions have been raised this year in the three prairie provinces. These grains have graded high and the price has been fixed by the Government at prices never before received by the farmer. The harvests this year have greatly stimulated trade in practically every line so that everyone is busy and making money.

### FIRST NATIONAL.

E. B. Sweeny, vice-president of the investment firm of Harris, Forbes & Company, will become a vice-president of the First National Bank on January 1. He began his banking career as an office boy with the Riverhead Savings Bank at Riverhead, Long Island.

### BANK OF ENGLAND.

The weekly statement of the Bank of England shows the following changes:—Total reserve, decrease £230,000; circulation, increase £206,000; bullion, decrease £23,134; other securities, decrease £263,000; public deposits, increase £3,958,000; other deposits, decrease £12,480,000; notes reserve, decrease £123,000; Government securities, decrease £8,017,000.

The proportion of the bank's reserve to liability this week is 19.58 per cent.; last week it was 18.74 per cent.

### NEW BANK BRANCHES.

During the month of November, according to returns furnished THE FINANCIAL POST, the Canadian chartered banks opened only two branches. This is the smallest number yet recorded for the year, the highest record being in May when there were forty branches opened. There were three branches closed during the month. Of the two branches opened one was by the Royal Bank at Montserrat, B.W.I., and the Merchants at Toronto, while two of the branches closed were by the Union, one being at Coatsworth, Ont., and the other at La Porte, Sask., and one by the Hochelaga at Hebertville Station, Que. Following is a list of the branches opened and closed:

(Opened).

Royal.—Plymouth, Montserrat, B.W.I.
Merchants.—College St., Toronto, Ont.

(Closed).

Union.—Coatsworth, Ont.; La Porte, Sask.
Hochelaga.—Hebertville Station, Que.

From January to the end of November the number of branches opened totalled 164 which compares with a total for the same period in 1916 of 148, while the number of branches closed amounted to 45 against 112. Following are comparative figures of the changes since 1914.

| | 1917 | | 1916 | | 1915 | | 1914 | |
|---|---|---|---|---|---|---|---|---|
| | Op. | Cl. | Op. | Cl. | Op. | Cl. | Op. | Cl. |
| Jan. ... | 19 | 6 | 16 | 14 | 6 | 9 | 16 | 6 |
| Feb. ... | 19 | 2 | 10 | 12 | 12 | 9 | 18 | 6 |
| Mar. ... | 19 | 4 | 11 | 12 | 28 | 10 | 25 | 5 |
| April ... | 22 | 4 | 3 | 9 | 10 | 7 | 20 | 9 |
| May ... | 40 | 3 | 16 | 8 | 19 | 13 | 51 | 13 |
| June ... | 18 | 2 | 9 | 9 | 28 | 18 | 33 | 11 |
| July ... | 7 | 2 | 13 | 3 | 9 | 6 | 11 | 2 |
| Aug. ... | 8 | 8 | 10 | 5 | 9 | 6 | 13 | 8 |
| Sept. ... | 6 | 4 | 6 | 6 | 23 | 11 | 10 | 9 |
| Oct. ... | 4 | 7 | 30 | 11 | 6 | 7 | 15 | 4 |
| Nov. ... | 2 | 2 | 24 | 23 | 10 | 14 | 5 | 16 |
| Dec. ... | .. | .. | 13 | 3 | 15 | 24 | 20 | 23 |
| Total .. | 164 | 45 | 161 | 115 | 169 | 134 | 237 | 119 |

### THE COST OF THE WAR.

#### Canada Has Spent To Date Over $150,000,000.

Canada's war expenditure during the months of November totalled $18,714,472, making a grand total of war expenditure to Nov. 30 of $151,969,271. The total net debt on Nov. 30 was $958,000,700, as compared with $705,128,082 on Nov. 30, 1916. Revenue for the month on Consolidated Fund account was $24,322,946, and expenditure for the month $12,922,635. Revenue for the eight-months period to Nov. 30 was $170,042,006 and expenditure $79,566,862.

### HUSBAND PAYS ON ALIMONY.

#### A Delicate Point in Connection With United States Income Tax.

One of the most interesting small points which has been decided in connection with the income tax legislation in the United States is that a divorced husband may have to pay taxes on income which he receives but which he turns over to his former wife as alimony. On the other hand the wife who receives the money pays no income tax. If Cupid has a sense of humor he must have smiled when the learned judges of the United States Supreme Court were debating this delicate problem.

### LINKING UP CANADIAN AND U.S. BANKING.

Continued from page 1

are Ottawa's figures to show a notable standing. Foreign call loans by Canadian banks—principally in New York—stood at 151 million on October 31, and foreign current loans amounted to 93¾ million.

#### Co-operative Banking.

Now that the American Banking Corporation has forged its Canadian link in the international connections being established something of this latest addition to Wall Street will be of interest in Canada. This institution represents one of the most important extensions of American banking operations ever undertaken, having for its purpose the entrance into the field of international banking under the combined auspices of a number of the representative banks. It illustrates the principle of co-operation as applied to banking for this special purpose. Extracts from an article in the "Bankers' Magazine" are as follows:

> Until the last year or so the attempts to establish American banks abroad were of the most desultory character. It was not until the passage of the Federal Reserve Act and its subsequent amendment authorizing foreign banking that any serious movement in this direction was noticeable.
>
> The Federal Reserve Act authorized national banks with $1,000,000 capital and over to establish branches with the approval of the Federal Reserve Board. But there was no sudden rush into foreign countries.
>
> But the Federal Reserve Act was amended so as to permit the organization of a bank specifically designed for foreign trade, the stock of which should be owned by other banks. It was under this provision of law that the American Foreign Banking Corporation was formed.
>
> The American Foreign Banking Corporation in its freedom from the objection of monopoly in its representative character and in the high standing of its sponsors approached the ideal in bank organization. It has not been formed in the slightest spirit of antagonism to any institution. On the contrary it heartily recognizes the energy and courage shown by the banks already operating along somewhat similar lines and inasmuch as the development of this phase of American banking is still in the primary stage the belief is expressed by those concerned in the new bank's management that there is abundant room for all—in fact much greater opportunities for the development of this feature of American banking than are likely to be exhausted for many years to come. Nor is it intended to compete with local banks, but rather to supply them with better means for transacting their foreign business, believing that they will find this new instrumentality so highly serviceable to them and to their dealers that the use of it in its special line may become an added source of profit to them through its efficiency.

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# NEWS AND VIEWS FOR MANAGERS

## GETTING THE MANUFACTURER TO CUT CREDITS

### Quick Turnover Necessary to Release Funds to Meet Rising Market.

### SHOULD TAKE FULL PROFIT

**Benefits of Increased Prices in Relation to Material on Hand Likely to be Lost During Period of Readjustment.**

Some of the war-time problems of the manufacturer have been passed on to the banker. With rising costs of raw materials, higher rates of wages and generally unsettled conditions, industrial plants have been in the position of having to borrow more money from the banks, or—. It was in connection with the "or"—the solution of the problem of the manufacturer of increasing his funds for the purchase of stock and the conduct of operations without calling on the banks to an extent beyond their capacity—that I discussed the industrial situation with the manager of a branch in a small but prosperous manufacturing centre this week. It has been previously pointed out, backed by the contention of a banker who was once himself a prominent manufacturer, that the banks have not been in a position to meet all the demands which the manufacturers have been making upon them to meet the abnormal conditions as they might desire—the ready capital of a young nation like Canada is limited, especially when there are heavy requirements for national needs. Speaking of his own experiences this banker said:

"My advice has been to do business on a closer basis with the trade. And the conditions have been such that the manufacturer in most cases has been able to do this without endangering his market. One of the plants in this town may be taken as a typical example. Costs of practically all the raw materials advanced rapidly and at the same time there was also an increase in wages. Demand, too, developed after a short period of depression. The result was that, with increased volume of turnover and with conditions making it desirable to secure larger supplies of raw materials—at much higher prices—the company's requirements for ready capital became acute. The management applied for a much larger line of credit. I was forced to answer that the application could not be met; to explain to the members of the firm that their experience was a common one and that the funds were not available to fully meet all demands. I advised on the other hand that the solution of the problem was to increase the rapidity of the turnover, to buy from hand to mouth where possible and to cut down the credits to the trade.

"This company had been giving terms of 60 and 90 days with a discount for 30 days. A change was made to a net basis for 30 days with a discount for ten days. The result was that the turnover was much more rapid and capital requirements considerably reduced on the trade ledger; the company was, therefore, able to use its funds to a greater extent in financing operations and raw materials."

We then discussed as to how far this course was possible. This manager believed that the conditions were typical of many industries. The firms where there is the greatest need for additional funds are usually those which are finding a good demand for their output. Such concerns find that the market conditions are such that they can reduce their credits without interfering with orders; that the trade in fact is not requiring long term credits because there is a good demand in turn from the public and with plenty of money in circulation there is not the necessity to give the consumer a long time in which to make payment. Credits have been checked up all round.

### As To "Taking Profits."

In the discussion of this industrial problem the matter of profits came up and I asked the manager as to what his attitude was and whether he had any advice to offer in this regard in connection with his manufacturing accounts.

"My advice has been that the manufacturer should take the full advantage of the market, that if he has raw materials secured at lower levels that he should not consider himself under any obligation to sell his product below the price set in open competition," he said.

"But is this not profiteering?" I interjected.

"Maybe it is," he came back, "but who is not a profiteer in these times if he has the opportunity. The laborer gets all he can for his labor, the farmer gets all he can for his produce, and the investor gets all he can in return for his money—even though it may be less than before the war. And of these I think the farmer is the man who has benefited to the greatest extent; yet no one calls him a profiteer.

"But in the case of the manufacturer there is the sound argument that he should take advantage of the rise of the market in order that he may be in a position to take advantage also of the decline when it comes. There will be many cases where the profits which a manufacturer has made out of raw materials on the rise will be no more that he will lose when in the course of readjustment the values of his stocks on hand decline in relation to the market for his products."—J.W.T.

## FARMERS' INTEREST IN BONDS IS GROWING

### Educative Influences of Victory Loan Campaign Will Be of Great Importance.

Before the war and the flotation of war bonds, the field of investment of the average farmer was a very narrow one; as a usual thing he looked for a good farm mortgage proposition, and if he sought something more speculative he generally picked on a "gold brick." The Victory Loan campaign promises to change all this. As an educative force from the investment standpoint its effect has been widespread. When the farmer finds how readily his interest may be collected and how simple is the whole operation he will not only make further inquiries as to government bonds but he is very likely also to pay attention to municipal issues or even to first class industrials.

Branch bank managers inform THE FINANCIAL POST that they have already seen evidences of this new interest. This has a broad significance from the standpoint of the investment market. For many years those who have been interested in bonds and debentures—particularly the trust and loan companies—have considered ways and means to interest the farmer with his millions of ready capital not required in his daily agricultural operations. Now it would appear that the educative influences of the Victory Loan campaign will bring about the desired change of attitude.

The investment interest in securities referred to cannot be expected to develop rapidly. In fact so long as the war lasts there will be little else than federal financing in Canada and succeeding government issues will provide a splendid proposition for the people of both urban and rural communities—further it is a national duty of the citizen to support these issues. But, even after the end of the war, it is altogether likely that municipal and other issues in Canada will have to be floated on the home market and then it will be very important to have the buying support of the farmer, because so long as the present high prices for agricultural products prevail the "man with the hoe" will be Canada's most prosperous class of citizen; even after the war the process of readjustment will undoubtedly affect the farmer among the last.

## A GOODYEAR RECORD.

### Earnings Are Largest In The History Of the Company.

Preliminary report of the Goodyear Tire & Rubber Co. shows net profits for the year before deduction of war taxes of $14,044,206 as compared with $7,003,330 in the previous year. Sales showed almost as remarkable an increase, amounting to $111,000,000 as compared with $63,000,000 in 1916. Less than 1% of this volume was direct war business.

F. A. Seiberling, president, says: "We have earned during the past year, subject to deduction for Federal tax, 61½% on the common stock of the company—the highest record we have ever made."

## GASOLINE PRICES.

### Evidence That Refiners Have Kept Charges Down.

There has been only slight change in gasoline prices in the last several months according to reports from various points in North America. Notwithstanding advances in the prices of crude oil and increased costs of other materials and labor entering into the cost of gasoline manufacture, refiners have kept prices down.

What the situation regarding gasoline supplies will be next spring is a matter of a good deal of concern. Estimates as to the requirements of the United States and the Allies for next year have referred mainly to war needs. Further increase in demand for gasoline for war purposes, it appears, will have to be met in part by decreased private consumption.

## PREPARING THE MERCHANT FOR READJUSTMENT

### Important Influence of the Banker on Retail Business.

### KEEP BUSINESS "SNUG"

**Retailers Will Be Better Off To Work On Minimum of Borrowed Capital and To Keep Position Liquid.**

By WM. MOFFATT,
Assistant General Manager Imperial Bank of Canada.

*The following is from an address before the Canadian Credit Men's Association dealing with the important relations between the bank, through the branch manager, and the merchant. Mr. Moffatt's illuminating views as to the probable developments in a general way in the re-adjustment of conditions to come will be found in another column of this issue.*

If I am correct regarding the reconstruction period it becomes necessary for both merchants and bankers as business men to consider the future carefully and see that their affairs are in apple pie order. There should be systematic siftings of outstandings, and an effort made to put business upon as solid a basis as possible. Stocks of goods at present represent a very much larger cash investment than heretofore; possibly in some cases the actual bulk of goods carried may be no larger but the value is greater, and we are more closely concerned in values. For the last two or three years merchants have been doing business on advancing prices and increased borowings. The time is coming when this process must be reversed, that is, after the war closes you will for a time have to sell your stocks for less money than at present, and write down the value of those in store sufficient to cover depreciation. Borrowing by the Government you must remember does not directly increase the amount of credit in use, and while the effect is not quite the same as an increase in irredeemable currency, yet the tendency to increase the cost of living and the price of all commodities is expressed in money. If after the Government has borrowed larger amounts to pay war expenses the public goes on its usual course attempting to carry on business as usual there are sure to be demands for labor and materials which cannot be met and which will inevitably force up prices. In financing the war a considerable amount of such expansion is unavoidable—the wants of the Government are imperative—they are on an enormous scale and they cannot be immediately met except by the use of credit. It is impossible for the people to adjust immediately their private affairs to new conditions. Business attempts to go along in its accustomed channels and living expenses cannot be suddenly adjusted. Gradually, however, the natural remedies make themselves felt. Prices of all commodities rise, and as Government demands must have priority the people at large are forced to get along with fewer luxuries and possibly fewer necessaries. This will have a tendency to curtail the buying by retail merchants as a diminishing number of their customers will pay the higher prices demanded. It is of course very undesirable to have the plane upon which business is done lifted to a higher level, as after the war prices that are high will have farther to fall. All investments in land except for cultivation and production should be avoided. No money should be locked up unless absolutely necessary in plants or buildings, and municipalities should not undertake improvements that can be postponed.

### Farmers Can Pay.

At present farmers are receiving exceedingly high prices for everything they produce and should be in a position to pay their store accounts, mortgages and bank loans. It is very much in the interest of the storekeeper and of the community at large that advantage be taken of the present situation to collect outstanding accounts, especially those that have in the past been inclined to be slow. Farmers have heretofore been, as you know, considered dilatory in their payments even when in a position to pay, but if their accounts and the accounts of wage-earners are allowed to run until conditions change on account of unsatisfactory crops, lower wages or prices, or for any other reason, merchants will have to face hard times with large amounts outstanding, having lost the opportunity of putting their business upon a safe and sound footing during the period of agricultural and business prosperity.

The Credit Men's Association has in the past done much to assist and improve the position; the educational value of their work has been great, and if it can continue along the same lines it should in a few years help to place the retail trade of Canada on a very much sounder and more satisfactory basis. Even I can remember when long credits were the rule and cash business almost unknown.

### Mutual Interests.

At times there appears to be a certain conflict of interest between bankers and merchants—this I am sure is only imaginary—we are both working towards the same end, and a banker's best customer is the successful merchant; bankers prosper only when their customers prosper. It is true that at times you find a banker holds an assignment of your retail customer's open accounts; but remember the wholesalers got the benefit of the money when the advance, secured by the assignment, was made. It may be that in some cases it would have been better had the merchant been allowed to go to the wall in place of being bolstered up by such advances, but so far as my experience goes these loans are made to help the merchant tide over a temporary stringency due to disappointing sales, weather conditions, bad country roads, etc. In other words, when business in consequence of conditions has been disappointing a merchant is very reluctant to allow his acceptances to go back, and if by an advance of this nature he can be helped over a temporary difficulty he and his creditor are both helped. You must remember that the majority of such loans are repaid as expected and the retail merchant's credit helped or saved. It is only when advances have been unwisely made by the banker that you have cause to complain, but even then the banker has only had a profit of six or even eight per cent. on his goods, and has, like you, overhead expenses to meet. No business works on as narrow margins—the turnover alone saves the banker, not the gross profits. Do not think that I am making a special plea for the banker; he is fallible like his neighbors, but bear in mind we are trustees for the shareholders of the bank.

### Make Business "Snug."

What can be done now to put our financial affairs in shape? I would say get your business "snug." Do not trade upon borrowed capital if it is possibie to get along without it, but as most merchants must borrow, keep your business liquid. See that your stocks are no higher than necessary for the proper carrying on of your business. I would even suggest losing a few sales rather than risk overstocking. No doubt with the difficulties you have at present in obtaining deliveries it is almost impossible to keep stocks down, but all our tasks are hard to-day, and while we cannot expect perfection we can aim at it. What, with your permission, I would like to impress upon you is to have a clear-cut plan. Look to the future and study it and do not be satisfied with looking only at last month's sales and collections. Then what I consider at least as important as watching your stock is to watch your customers' accounts for signs of weakness. Accounts that are not satisfactory should be liquidated while there is yet time. Do not wait until the storm comes before reefing your sails and collecting your slow accounts. They will realize more now than under changed conditions, if they are weak now they will probably be bad later on.

In the past credit has been too freely granted by both merchants and bankers; we should try to correct this and to shorten terms where possible. The war has done one good thing for us in Canada in that it has given us as citizens

Continued on page 16.

Mr. Managing Director

Are you one of the hundreds of business men in Canada who are working at high pressure and bearing extra cares because of war conditions? If so, should you not protect your family or your business by additional Life Insurance.

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WHO SHALL SPEND the proceeds of THE VICTORY LOAN?

ON December 17th the above question will be decided by the voters of Canada. The electors will say who is to spend the hundreds of millions raised with a definite purpose in view. Is it to be used in support and maintenance of Canadian men at the front, and to bring war orders to Canada? Or shall we slink away by handing it over to Laurier and Bourassa and their adherents, who propose deferring Canada's further participation in the war?

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The first and most vital issue in the coming election is whether Canada should make good her pledge to send reinforcements to France and Flanders as speedily as possible. *Representative men of both political parties, who are in favor of making good this pledge, appeal to the country to support Union Government. The economic and financial future of Canada is in the hands of these men.* They are pledged to spend the money you invested in Victory Bonds in the way you approved by buying the Bonds. If you still wish to hasten Victory, reinforce our diminishing fighting line, and lay a firmer foundation for Canada's continued prosperity,

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Toronto, December 15, 1917.

### TRAINING BRAINS FOR AFTER-WAR TRADE.

WAR is still with us, and may be for a while. With the echo of the first shot in the war there awoke in progressive business minds the thought of trade after the war. Not "Business as Usual" but "Business far Better than Before" is the slogan to follow. Leaders in business life are busy upon after the war problems to-day. Already the key-word to their thoughts is out.

That word is Education. Its effect is found in the decision of the Tootal Broadhurst Lee Co., Manchester, to appropriate $50,000 a year for five years for research to improve their products, and for education to improve the general efficiency of their employees. "Without improved education, and a closer link between science and industry, our future trade cannot expand as it should," says the Chairman of their Board of Directors. "In this respect we are behind some other countries."

So part time instruction in a works school during working hours is provided for, and employees who show outstanding ability are to be selected for further education. In special cases they may have whole time education and a university course to develop them. The purpose of the appropriation is to produce more specialized expert help for the company. Part of the fund is to be spent in research work by already available experts. The educational policy pursued is to bring out more experts.

The race for trade after the war will be closely contested. The countries best prepared by the education of the industrial and business brains that are to run their commercial concerns will come out winners. Financial as well as industrial training is demanded. Sir Richard Vassar Smith, in a recent address before the Institute of Bankers in London, said that recent developments of international banking meant a demand for young men with a knowledge of foreign languages, foreign exchange, and the commercial and financial conditions of other countries. Clearly a call for still further specialized education for the men who are to make a winner of trade after the war.

### MORE BIG MILLIONAIRES IN BRITAIN THAN IN UNITED STATES.

MILLIONAIRES are more numerous in America than they are in Great Britain, but the multi-millionaires of Great Britain are more numerous than the multi-millionaires of America. In other words the millions of America are more evenly distributed amongst the very wealthy as a class, than the British millions amongst the wealthy of Great Britain.

Only ten people in the United States have as much as $125,000,000 each. In Britain 79 people have each as much money. Nine citizens of the United States have $100,000,000 each. Great Britain has 68. Only 14 people in the United States own amounts from $75,000,000 to $100,000,000, but Great Britain has 45 of these. There are 73 who own from $50,000,000 to $75,000,000 in Britain while the United States have only 34, and Great Britain has 61 people with from $37,500,000 to $50,000,000 while America has of this class only 42.

But America has 97 citizens owning from $25,000,000 to $37,500,000 as compared with Britain's 83, and of millionaires in general America has 22,696 while Great Britain has only 5,154. There are also in the United States a great many people with incomes of from $30,000 to $40,000 a year who may be in the millionaire class as regards capital owned if it is invested at only 3 per cent., or whose fortunes may be subject to fluctuations reducing their average income, and placing them on the income basis, at least, out of the millionaire class.

It has been discovered that in the United States less than 1 per cent. of the total revenues derived from taxing individual incomes comes from the millionaire class.

### EDITORIAL NOTES.

IN the investment field the farmer is a potential factor of great importance and advantage should be taken of the lessons of the Victory loan to further his education.

* * *

AT THIS time with the industrial future of the nation shrouded in uncertainty a step in the right direction is the decision of the Commission of Conservation to compile a comprehensive and authoritative directory of Canada's natural resources—the first which has ever been prepared.

* * *

FOR the first time in the history of the organization the Canadian Manufacturers' Association took a definite stand on a political issue when it endorsed Union government recently. The association is to be congratulated on this display of "backbone"; such bodies should make themselves a definite force on big issues in which they are involved.

* * *

THE action of the Canada Bread directorate in declaring a dividend on the common stock at this time and under the conditions prevailing is reassuring in relation to the company's financial position but the policy is to be seriously questioned.

* * *

THE low political tactics employed against men in public positions as indicated by the reports of Food Controller's alleged $4.20 meal on a dining car are largely responsible for keeping capable efficient executives in the paths of private life. Mr. Hanna is getting little of the public co-operation so necessary to the success of his work.

* * *

THE success of Canadian knitting concerns in entering the hosiery market and successfully supplying demands which were formerly filled by Germany and England is one of many indications of what manufacturers have accomplished under war conditions. There is every reason to hope also that these war-time ventures may be established on a permanent basis.

* * *

READERS of THE FINANCIAL POST will find in the analysis of business conditions of the present in their relation to the future, presented in the address of Wm. Moffatt, assistant general manager of the Imperial Bank, before the Credit Men's Association, and reproduced in this issue, some sound and illuminating views and advice which may well be carefully considered at the present time. The future is clouded in uncertainty but there are guide posts which should not be disregarded.

## AN ASSAULT ON ORGANIZED LABOR

From *Commercial West.*

THOSE labor leaders and radical socialists who are responsible for the persistent stirring up of trouble among the employees of the Twin City Rapid Transit Company are not only doing their utmost to injure the public, but they are making a savage assault on the good standing of organized labor. The case is so clear against the contentions of these trouble-makers, that no argument is needed but only the simple statement of facts. Labor leaders, including Samuel Gompers and Secretary of Labor Wilson, should promptly repudiate the action of these disturbers, who refuse to keep agreements.

In the first place, the trouble arose over the interference of imported labor agitators who were in no way connected with the street railway employees. Baffled in their first attempt to unionize these employees, as less than 20 per cent. joined their new union, these agitators appealed to the state government of Minnesota. After a thorough investigation by the Governor and the Public Safety Commission, the strike was declared off by the Public Safety Commission and this was obeyed by all parties. This happened several months ago.

Now the trouble is renewed again under the pretense of discriminating against union labor, when the order was made to cease wearing either union or non-union buttons. Governor Burnquist's telegram to Secretary of War Baker explains the situation. It reads:

> On December 1, I sent the following telegram to the Acting Secretary of Labor in reply to telegram from him:
>
> "The orders of the Public Safety Commission were adopted after the submission to it by both parties of the matters in dispute and said orders were issued upon the understanding that the recommendations originally adopted were satisfactory to both sides. Interference at this time will simply result in an attempt to defy a duly constituted authority of Minnesota. As governor of this commonwealth, I shall use every power at my command to uphold the dignity of the state and to protect the rights of all concerned. Should the time arrive when we need Federal assistance to maintain our laws, I shall not hesitate to call upon you. J. A. A. Burnquist, Governor of Minnesota."
>
> Since the sending of the above telegram, conditions are less favorable to a re-opening of the decision already rendered than at the time of sending it because of the riots which have since occurred.
>
> Submission of the disputed questions to arbitration at this time would practically mean arbitrating the arbitration already concluded. Re-opening of the decision as matters now stand would be a surrender of government by reason of riots and agitation and would be an incentive to further riots and agitation.
>
> Under orders adopted by the Safety Commission, men in the employ of the street railway company have a right to their union cards. They have the privilege of belonging to any union they wish to join. They have a right to wear union or non-union buttons on civilian clothes, but because there was continual irritation between the men themselves and between the men and the public by reason of some wearing non-union buttons and others union buttons, a committee appointed by the commission upon representation made to it that such an order would be willingly acquiesced in by both sides made a recommendation that buttons be not worn on uniforms at the present time.
>
> The Safety Commission adopted the recommendation. No principle of unionism is therefore attacked. There is no vital issue involved and no reason whatsoever for sympathetic strikes.
>
> Because of the technical objection referred to and from other information we have, it is apparent that there is back of the present unrest some other reason for the agitation than the order of the commission.

This is a clear and concise statement of the facts. It is quite evident that these radical agitators are not seeking a settlement or industrial peace. They are hunting for trouble, strife and also for the political power which control of the 1,800 street railway employees would give them. The attitude of these union and non-union men is in strong contrast. The non-union men obeyed the request of the commission and discarded buttons while the union men refused to obey. It is also significant that the lawless element always comes to the defense of the union agitators, no matter how unjust their demands. It is too bad that these persistent scrappers can't be sent to the front and get into a real war, instead of disturbing peaceful industry and bringing labor unions into disrepute.

The manager of the Nonpartisan League and its attorney both went out of their way during the recent disturbance in St. Paul to defend the position taken by the labor agitators in this street railway affair. While Mr. Townley, the president of the league, was assuring President Wilson of his patriotism and the loyalty of the league, his manager and attorney were lending aid and encouragement to trouble-makers endeavoring to muss up the industrial situation in the Northwest. One of these men emphasized his Bolsheviki tendency by an entirely uncalled for attack upon Otto H. Kahn, the eminent New York banker, who recently made such stirring loyalty addresses in the Twin Cities.

# A NEWS BOY GRADUATE HEADS MUNITIONS BOARD

## Frank Scott, Who is Buying All Uncle Sam's Shells, Has Had a Meteoric Career—Why He is Able to Make Good.

One of the ablest business men to be taken by the U. S. Government to Washington to help in war organization is Frank Scott, who holds the extremely responsible position of Chairman of the War Industries Board.

Allen Hamilton in "Everybody's Magazine" gives a readable sketch of this dynamic young American. He says:—

Frank A. Scott, chairman of the War Industries Board, comes close to being a perfect expression of that intangible, yet very real thing we call "the genius of a free people." A poor boy, robbed of a chance for schooling by his bitter necessities, and facing life without the aid of friends or influence, he rose to wealth and position, and to-day, in an hour of national need, stands among America's elect in a place of tremendous power.

The War Industries Board is the Government's answer to the situation's demand for concentrated authority. Seven men compose it: Admiral Frank L. Fletcher, representing the Navy; Lieutenant-Colonel Palmer E. Pierce, for the Army; Hugh Frayne, of the American Federation of Labor; Bernard M. Baruch, the New York financier; Robert S. Brookings, of St. Louis; and Robert S. Lovett, Chairman of the Executive Committee of the Southern Pacific Railroad. *And* Frank A. Scott.

From this body flows a vast stream of administrative activity. Colonel Pierce and Admiral Fletcher present the needs of the war-making branches of the Government, Mr. Baruch's province is the world of raw materials, Mr. Brookings looks after the finished product, Judge Lovett is master in all questions of priority, and Mr. Frayne is the expert in dealing with the human element in industry.

It is the job of Frank Scott to keep all these strings in his hands, to see that full effectiveness is gained by an absolute co-ordination, and as from a watch-tower, to guard the country against the sly approaches of greed and rapacity. For, mind you, in the War Industries Board is centered the answerable responsibility for the purchase of America's war supplies—a business running high into the billions.

And Frank Scott started as a newsboy in the streets of Cleveland hardly more than forty years ago! His father died when the son was ten, and in order to aid a mother left penniless, the youngster got a job delivering papers. Getting up long before daylight, he trudged over his route, and after a day in school, he sold papers on the streets until his tired little legs carried him home to his dinner.

At twelve he left school definitely for work in a telegraph office, and he is still remembered in Cleveland as the one messenger boy who "never loitered," who did not read dime novels, and whose mouth was minus a cigarette.

A railroad office, liking his looks, gave him a place as office boy, and before his majority he was a specialist on freight rates, and a highly prized employee. The Cleveland Chamber of Commerce, deciding to fight for community growth instead of waiting for it, looked around to find a freight-rates expert, and Scott was elected by acclamation. From that post he went to the assistant secretaryship, and then into the secretary's office.

Everybody admired Frank Scott because of the ability that he was always demonstrating, but more than that, everybody *liked* him. He was clean of mind and clean of mouth without being priggish, he worked all the time, yet never lacked time to be human, and in an atmosphere of intense competition, he made kindness his principle of life. No one ever heard him say an ugly thing or saw him do one!

Naturally enough, business reached out for him. He went from the Chamber of Commerce to be secretary and treasurer of a trust company, and made good there just as he had made good in his other jobs. So much so that the City of Cleveland turned to him in the day when the powers of High Finance schemed Tom Johnson's three-cent street railway into disaster. As receiver, Mr. Scott restored the company to solvency and success, and made it a going concern that justified a people's faith in the radical idea.

A great Cleveland firm, eager for a pair of younger shoulders to shift the burden, asked Frank Scott to come over and be its vice-president and general manager. Instead of sitting in an office, the new official took to the road, explored every corner of the civilized globe, studied world trade, and as a result, that which had been a big business became an international business.

Shortly after the declaration of war, when the whole munitions business was getting into a sad tangle, Secretary of War, Baker, sent a hurry call to Cleveland for Frank Scott. "Come and straighten things out," he ordered.

At once, and without thought of the sacrifice entailed, Scott came and "straightened." Under his directions a General Munitions Board was formed to co-ordinate the various purchasing activities of the Government, to the end that order, economy, and efficiency were brought out of chaos. Naturally enough, when the Administration decided upon a War Industries Board, the last word in concentrated drive, Frank Scott was chosen chairman.

A big man, this Scott person, but better than that, a *good* man. He believes in all the old-fashioned virtues like honesty and honor and good faith and patriotism, and what is more to the point, he *practises* them. As yet, no such scandals have broken as cursed the Spanish-American and Civil wars, but, nevertheless, to Washington have come some men who seem to see in America's crisis nothing more than an opportunity to add more dirty dollars to their grimy hoardings.

Against these Frank Scott stands like solid granite. They can't buy him, they can't fool him, they can't frighten him; and when the smoke of his daily battles clears away, it is seen that the forces of greed have met with another defeat.

Taken all in all, Frank Scott stands for the thing that has made America and that will *win* for America—the capacity to work practicality and patriotism in double harness.

## PERSONAL

**JAMES CARRUTHERS**, president of the Canada Steamship Lines, has offered to the British Government (according to the Westminster Gazette) four battleplanes for use on the Western front, and the Air Board in accepting expressed warm appreciation of the generous gift. Mr. Carruthers also presented three aeroplanes to the Canadian authorities.

**LIEUT. RUSSELL D. BELL**, a member of the firm of Greenshields & Co., brokers, Montreal, returned on Wednesday evening to Camp Meade, in New York state, after a few days' visit in the city where he was welcomed by many friends. Lieut. Bell qualified recently and received a commission in the U.S. army with the 35th Field Artillery. He is likely to leave for overseas in a month or two. Before joining the Montreal firm he was engaged in financial newspaper work in New York.

**COLONEL JAMES R. MOODIE**, who is one of the new members of the board of directors of the Southern Canada Power Company, is president of the Dominion Power and Transmission Company and is well and prominently known in Hamilton and in business and financial circles of the province and Dominion.

**CHARLES EDWIN READ**, newly appointed to the directorate of the Southern Canada Power Company, is president and director of the Read Timber and Lumber Company, secretary of the Hull Lumber Company, Ottawa, and director of the Riordon Pulp & Paper Company. He is an American by birth, having been born in Albany, N.Y., in 1859, but for a number of years has been prominent in Canadian business circles particularly at the capital city, where he established his present undertakings in 1891.

**E. E. HALL**, of Winnipeg, who has been made a director of the A. Macdonald Co., has been a resident of the Western Metropolis since going West from Iowa some ten years ago and has during that time taken an active part in provincial financial affairs. He does business through the Dominion Loan and Securities Company, of which he is the president and manager, formerly known as the Dominion Investment and Securities Company, a mortgage loan and bond house. He is the vice-president of the British Northwestern Fire Company, with which he merged another fire company last year. He also controls the Sheldon Farm Company and the Pioneer Farm Company, both of which concerns are actively engaged in farm operations in this province. He is also largely interested in the Central Grain Company, and in the elevator business. His former home was in Dickinson county, Iowa.

**HOWARD CLARKE HAWKINS**, who has just accepted the managership of the Southern Canada Power Company, has been a member of the board of directors of the latter project for the past year but is better known in Canadian business as the managing director of the Dominion Power and Transmission Company of Hamilton, one of Canada's large and successful public utility corporations of whose affairs he has been in administrative charge for the past three years. Mr. Hawkins is an American, having been born at Orange, N.J., in 1866. After qualifying as a mechanical engineer he held various technical positions in a professional capacity, including the managership of the Plymouth Electric Light Company, the Concord Land and Water Company, the Columbia Water Power Company, Columbia, S.C., etc., prior to coming to Hamilton as secretary and manager of the Hamilton Electric Light and Cataract Power Company, in 1903.

**HENRY J. FULLER**, president of the Canadian Fairbanks-Morse Co., and a former resident of Montreal, has been made president of E. & T. Fairbanks and Co., the Vermont organization. The election of Mr. Fuller to this office is another move which serves more closely to unite Canadian and American organizations, as Mr. Fuller is not only president of the Canadian Fairbanks-Morse Co., but is also a director of the Canadian Bank of Commerce, the National Trust Co. of Canada and other industrial concerns in the Dominion. Although born in St. Johnsbury, Vt., Mr. Fuller came to Montreal in 1897, two years after completing his education at Worcester Polytechnic Institute, and established a branch of the Fairbanks Co., which later developed into the Canadian Fairbanks-Morse Co., Ltd., of which he is now the chief executive. As head of this concern, Mr. Fuller has seen his organization grow from the Montreal branch to a concern employing an immense staff all over Canada and several thousand operatives in its factory in Toronto. At present the influence of Mr. Fuller is felt in the twelve cities in which there are branches of the Canadian Fairbanks-Morse Co., as well as in many other parts of the Dominion to which the activities of this organization extend.

**JAMES DAVIDSON**, a new member of the board of the Southern Canada Power Company, is president of the Thomas Davidson Manufacturing Company, Montreal. In connection with this concern he is well known in business and financial circles in Montreal and throughout Canada. He is president also of the Brome Lake Electric Company, Waterloo, Que., and the McDonald Car Buffer Company. Born in Montreal, he entered the service of Thomas Davidson & Company when quite young and has worked through its various branches to his present position at the head of this large enterprise, finding opportunity while devoting great energy to the company's affairs to interest himself also in other concerns as indicated. As a hobby he has turned to farming and is the owner of the Ayrmount Farm in Shefford County, Que., which is one of the finest in the province. He is a director of the Shefford Agricultural Society, and his interest in the district is indicated by the fact that he has been made Mayor of Waterloo. Hospitals and other charitable institutions have also received the benefit of his administrative ability. He is a governor of the Hospital at Sweetsburg, Que., a governor of the Montreal General Hospital, and a governor of the Western Hospital, Montreal.

**H. H. WILLIAMS**, whose appointment to the board of the Toronto General Trusts Corporation in succession to the late W. R. Brock was announced this week, is a Toronto business man who has been forging rapidly to the front of recent years. The name Williams has been one to conjure with in the real estate field, for it is in that department of activity that the new director has been particularly interested. A review of the big deals which have taken place in Toronto for a good many years past would prove that he has been mixed up in practically all of them. Both the mystery blocks on Yonge Street were handled by him, as well as all the important railway work in connection with terminals, grade separations, etc., that have taken place in the past ten years. There is probably no man better posted on the real estate situation in Toronto than he, which will make his acquisition by the Toronto General Trusts of great value to that institution. Mr. Williams was born and brought up in Toronto, and is a good example of what energy and determination will do to bring a man to the front.

**W. B. MEIKLE**, who has succeeded to the presidency of Canada's largest fire insurance companies, the Western and the British America, naturally occupies a position of prominence in Canadian insurance circles. As general manager since 1907 and as vice-president and general manager since 1914 of the two companies, he has had much to do with shaping their policies of recent years and his advancement to the presidency, following the death of the late W. R. Brock, was largely a matter of course. Mr. Meikle has been all his life in the insurance business. He started as a lad in the head office of the old Scottish Commercial and was afterwards for many years with the Manchester Fire at Manchester, Birmingham and London. Later he went to Calcutta to take charge of the Manchester's business in the Orient, combining with this position the duties of marine underwriter of the Triton Insurance Co., and manager of the Eastern Fire Insurance Co. In 1900 he returned to England to become manager of the British and foreign branch of the Western and British America companies, and in 1907 was brought to Canada to assume their management. Mr. Meikle is also a director of the Canada Life Assurance Co., and the Imperial Guarantee and Accident Insurance Co.

## CURRENT OPINION

### IN THE EVENT OF GOVERNMENT OWNERSHIP.

*The Financial World.*

The Conference Committee on National Preparedness, sitting in Washington, has rather unexpectedly announced that conditions are shaping themselves rapidly to a point where Government ownership of the railroads will be forced at a very early date. Apparently it is assumed that railroad credit has practically disappeared and that unless the roads are taken over and Government credit used to buy new equipment and speed up traffic all along the line in other directions, the railroads will break down in their job of trying to keep the country fed and move war traffic as well.

The railroads are meeting the calls upon them and there is no evidence of a traffic breakdown though they do need help in the way of rate increases. In July, with practically the same equipment as last year, the roads moved thirty-three billion tons of freight, against twenty-seven billion tons in the same month last year, but their earnings showed no such increase.

But even in the unlikely event that the so-called Conference Committee's recommendation shall be adopted, what is likely to be the outcome? Complete Government ownership is impossible now in the absence of legislation authorizing it, and the most that can happen is that the Government will declare the railroads theoretically taken over, just as it has taken over all ocean vessels in excess of 2,500 tons burden. It will, of course, leave the roads in the same hands as now but subject to military or official rule from Washington. The new rulers might decide to discontinue some dividends where it might be shown the cash resources could be used to better advantage and improve the carrying capacity of the road, but there could be no confiscation and judging by the snail-like pace at which the appraisals of the railroads are proceeding it will be an age before the values of the railroads can be determined and their price fixed. The present mortgages, of course, couldn't be disturbed. Moreover, the Government hasn't the resources to spend in buying railroads. The Treasury report shows the Government has already spent nearly $800,000,000 in excess of receipts since July 1st, the beginning of the fiscal year, and the outlook is for a still greater ratio of outgo.

The Government has assumed absolute control over only one corporation since the war began and that is the American Marconi Wireless Co. That company's earnings have not been interfered with and the company is reported to be prosperous and working night and day. Possibly Government help has been extended as the plants have been enlarged and working overtime. The shares of the stock are inactive, but if anything are a trifle higher than when the company was taken over. The so-called Government ownership would be no different from this and at the war's end, unless Congress passed legislation to actually buy the roads, they would have to be turned back to their present owners.

Government ownership is a bogy that shouldn't frighten anybody. The Conference Committee's contribution to the subject is gratuitous and unnecessary.

# MAGNITUDE OF WORK OF SHIPPING BOARD

### United States Emergency Fleet Corporation Engaged in Great Task—Review of Year's Activities.

BY OUR WASHINGTON CORRESPONDENT.

Washington, D.C.

The first annual report of the United States Shipping Board, brief mention of which was made in last week's issue, says among other things that the Emergency Fleet Corporation, which is the most important of the board's war powers, is now engaged in what is probably the greatest construction task ever attempted by a single institution. It has developed for this purpose within a period of six months an organization of more than 1,000 employes, including a large force of technical experts. The corporation has sixteen offices in various parts of the United States. It is supervising the building of 1,118 vessels in 116 shipyards distributed throughout the United States. It is disbursing for the construction of those ships something in excess of a billion dollars per annum. It is controlling substantially all the shipbuilding of the country other than of naval vessels, and its program calls for the completion in 1918 of eight times the tonnage delivered in 1916.

**Meeting the Situation Fairly.**

When the United States entered the war, says the report, American shipbuilders were principally engaged in the construction of ships for foreign account, principally British and Norwegian. The yards were working substantially at capacity. The problem of the corporation, therefore, was not merely to build ships, but also to build new yards in which more ships might be constructed.

To this end, contracts were placed for a large number of wooden ships most of them to be built in new yards it being found that such ships could be built, within certain limits, without interfering with the steel ship program. The corporation has experienced some difficulty in arranging for supplies of proper lumber, but it is believed that this difficulty has been largely overcome and that the wooden ships may be expected to be completed with a fair degree of promptness.

**2,500 Ton Steel Ships Requisitioned.**

As to steel ships the corporation has made every effort to standardize designs for steel construction, but it is deemed inadvisable at this time to publish the details of those designs.

In order to speed up construction and to assure unity of control over shipyards, the corporation, on August 3, 1917, in accordance with President Wilson's order of July 11, 1917, requisitioned all steel ships under construction of over 2,500 tons deadweight capacity. As a result of this order the United States became possessed of 413 ships in various stages of construction, of a total tonnage when completed of 2,937,808 tons. Of these, 33, of a total tonnage of 257,575, have been completed, and it is estimated that the remainder will be delivered within the next 18 months.

**Training the Workers.**

The corporation is making rapid progress in placing direct contracts for ship construction. In the last analysis it is man-power that builds ships; and the mobilization of a large, competent, trained and willing force of workers for the shipyards of the country has been among the most important of the corporation's activities.

Other excerpts from the report follow:

The board has recently adopted a policy of requisitioning for government account all power-driven steel cargo vessels of 2,500 tons deadweight or over, and all passenger vessels of 2,500 tons gross register or over, adapted to ocean service. The operation of these vessels is entrusted in large part to the companies by whom they were formerly controlled, but all receipts have been for government account, the owners being credited with the requisition rate fixed by the board. The vessels, moreover, are under full control of the board as to voyages, cargoes, and rates and as to safeguards for their protection against the hazards of war-zone service. It is hoped that this policy will be the means of achieving two results which in the opinion of the board are necessary: First, complete unity of control over the distribution of shipping, so that war needs may be filled in the order of their emergency; and second, just and effective regulation of rates, so that the nations at war with Germany may not be financially exhausted by extortionate transportation charges.

Further experience may develop that, consistent with the purposes above outlined, some of the steamers not adapted to war service may profitably be released from requisition. As to other lines, more effective methods of regulation and control may prove to be necessary. It should be borne in mind that aside from the requisition power the board at present has no jurisdiction over rates in foreign trade and no jurisdiction over interstate rates, except were vessels are common carriers operating on regular routes. If experience shall prove it to be necessary, the board will recommend drastic legislation to meet more effectively the situation arising from the acute dearth of tonnage.

The freight rates to be charged to shippers on requisitioned vessels left in commercial service or assigned to foreign governments have been the subject of careful consideration. The board, of course, has no desire to profiteer at the expense of any government associated with the United States in the war against Germany, or of the general public. On the other hand existing contracts, particularly those on a c.i.f. basis, and special market conditions often present a danger that a reduction in rate will not inure to the benefit of the consumer but will merely transfer from the shipowners to favored shippers the monopoly earnings which it is intended to eliminate. The policy of the board therefore will be to charge freight rates based on the requisition rate whenever it can receive assurance that the benefit of these low rates will accrue to the American or allied governments or to the consuming public: and to charge higher rates whenever this fact shall not be so established. The application of this policy will no doubt present difficulties in individual cases but it is believed in principle to be sound.

The requisition program as yet has been in effect for such a short period of time that no accurate statement of receipts and expenditures can now be made. Accounts, however, are being kept with scrupulous care along sound and conservative lines, and in due season will be presented to the Congress.

**Ships From Great Lakes Utilized.**

The Great Lakes, shut off as they are from sea-level connection with the ocean, have nevertheless contributed materially to the work of procuring tonnage for war purposes. An unprecedented number of newly constructed ships have been brought down from the Lakes, and in addition 21 steel steamers have been withdrawn from Lake commerce and are being brought down for war service. Of these, 16 were too long to pass through the locks, and it was necessary to cut them in two, bring them down in parts, and reassemble them on the St. Lawrence. Twelve of the vessels were put together afloat, an achievement never before accomplished. Ten steel tugs have also been commandeered from the Lake fleet and are being fitted with surface condensers for ocean use.

A committee has been appointed to advise the board as to the matter of just compensation to be paid for vessels from the Lakes to which title has been taken, and that committee is now at work on its task.

**Chartering Committee's Duties Outlined.**

The program of control of shipping through requisition covers only American steam vessels over 2,500 tons dead-weight. To exercise a salutary degree of control over other American and neutral shipping in American foreign trade, a chartering committee was established, with offices in New York; and with the assistance of the War Trade Board all charters of neutral ships, of American steamers under 2,500 tons, and of sailing ships of any size loading from ports of the United States to foreign ports, must be approved by this committee. The committee has exercised this control with two primary objects in mind: First, so far as possible, to induce neutral tonnage to assume its share of trans-Atlantic trade; and, second, to effect a material reduction in the high charter rates prevailing, not only in trans-Atlantic but in South American and oriental trades.

Under Schedules 1591 and 1593 the Bureau of Supplies and Accounts of the Navy Department is calling for bids for furnishing various navy yards with large quantities of electrical material. Among the material required is cable, generator, motor sets, high- tensioned wire, magnet wire, etc.

The War Trade Board has passed a resolution authorizing the director of the bureau of exports to license freely cargoes originating in the United Kingdom, France and Italy or their colonies, possessions or protectorates when shipped via United States ports to United Kingdom, France and Italy or their colonies, etc.

As regards Canadian shipments, cargo of the above character is of two kinds—that which leaves Canada by rail, passing through the United States in bond, and then shipped from a United States port, and cargo shipped from Canada by steamer which later touches at a United States port.

With regard to shipments from Canada to Japan made by steamers which call at a port of the United States, the same ruling will apply as to shipments from Canada to England, and such cargo will be licensed by the collectors of customs in exchange for copies of the manifest.

# INVESTORS' INQUIRIES

**Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.**

### DOMINION SEWER PIPE.

**W. P. C., Tampa.—I have some shares in the Dominion Sewer Pipe Company and would like to have any information you can give me as to the concern's affairs.**

We have been able to gather some general information about the company's business affairs and outlook from which it would appear that there is no prospect for any material improvement in the immediate future. The business of this concern in common with all clay working industries has been seriously affected by the war. The company's products are used principally in connection with municipal work and house building and the municipalities are only doing work that is absolutely necessary, while building activities are very much restricted. However, we are informed that the business for 1917 shows a decided advance over 1916 indicating that the municipalities are finding that there is certain work which cannot be further postponed. The company is having some trouble with labor although the situation is not so bad as it was a year ago. The fuel situation is acute but the fact that the Fuel Controller in the United States has fixed a maximum price has had a beneficial effect. Officials are inclined to be optimistic as regards business after the war. A large amount of municipal work is expected while there are those who see a resumption of building activity on a more extensive scale with the return of the soldiers and a resumption of immigration.

Generally speaking the securities markets both in Canada and the United States are depressed at the present time to what we consider an abnormal degree. It is hardly a good time for selling if the investor is in a position to hold on until there is a readjustment.

### REPUBLIC STEEL.

**J. L. R., Summerside.—Will you please give us a report on Republic Iron and Steel Co.**

With regard to yours of December 7 making enquiries regarding Republic Iron and Steel Company, would say that this is one of the big independent companies in the States. It is a consolidation of twenty-four companies manufacturing bar and forge iron. It also controls its own ore mines. Further it has large interests in about fifteen other properties and companies including ore, transportation and coke enterprises. The quotations on the stock have shown a decline to around 70. The company has an authorized capital of $30,000,000 common stock and $25,000,000 preferred stock of which $27,191,000 of common and $25,000,000 of preferred, a total of $52,191,000 was outstanding December 31, 1916.

### ROYAL OAK TIRE.

**G.B.S., Fonthill.—Will be obliged if you will furnish information regarding the Royal Oak Tire Co. stock being offered on the inducement that shareholders are to obtain a certain discount off tires purchased.**

This company was formerly known as the Acme Tire & Rubber Company and was incorporated in 1916 with an authorized capital of $400,000. The firm's prospects are generally looked upon with favor by those consulted. However, from the investor's standpoint there are several features which would indicate that the proposition is more than moderately speculative. In the first place the tire market is a difficult one for a small company to break in on owing to the strength of the big concerns which to a large extent monopolize the business. The fact that the stock is also being offered with some concession as to a price of tires to shareholders would also seem to indicate that the proposition itself does not appeal as an attractive investment. Further it is reported that in order to place the stock on the market it has been sold to certain individuals at 90 cents on the dollar.

Generally speaking if your client is seeking a speculative proposition this company would appear to have a reasonable chance of making good. On the other hand if he is seeking a safe investment there are many attractive propositions at the present time without the speculative features which we feel exist in regard to this stock.

### C.P.R. AND BANK STOCKS.

**S.T. (Alberta).—"Having some money coming to me in the near future and wishing to invest the same in some good security, I would like you to give me your opinion on C.P.R. stock at its present price and also your opinion on the common stocks of Canadian banks, for instance, Bank of Montreal. How do they compare as regards safety of investment?"**

Almost any investment nowadays possesses the element of speculation. Even the best government bonds are being subjected to a pressure which is bound to become stronger the longer the war lasts. With stocks, the influence of a prolongation of the war will probably be even more pronounced. The determining factor is therefore the duration of the war and one person's opinion as to that is about as good as another's. Broadly speaking C.P.R. at its present level is an attractive-looking proposition. Its dividend appears to be pretty secure and, if you are content to buy simply as an investment, take your interest as it comes in and ignore market movements, you might do worse. Bank of Montreal stock ranks in the front among Canadian bank stocks and is a safe investment, though here again we would not like to predict that its price might not be reduced if the war were prolonged.

Within thirty days the Ford Motor Company must declare a dividend of $19,275,385. This is one of the principal provisions in the final decree handed down yesterday.

### FROM AN ONTARIO CLERGYMAN-INVESTOR

Editor THE FINANCIAL POST.

Sir,—The information kindly furnished re C.N.R. debenture stock was full and satisfactory; the first I have obtained though many enquiries were made of bankers and brokers. I appreciate the service thus rendered.

Yours sincerely,
W. H.

# OUR ATTITUDE ON DAVIES REPORT

### Is Endorsed in Clear and Logical Letter From Firm of Packers at Halifax.

THE FINANCIAL POST has received the following letter from Davis and Fraser, pork packers and provision merchants, Halifax, N.S. It is a clear and logical endorsation of the attitude which we have taken with regard to the affairs of the William Davies Company and the investigation thereof, and should be read with interest by all who have been following the matter. The conclusions of the writer are not only similar to those which have been expressed in these columns but, we have no doubt, coincide with those of the great majority of clear thinking men of business experience:

Editor, The Financial Post,

Sir,—We quite agree with you that the daily papers gave a wrong impression regarding the William Davies matter. In fact, they did this from the very first and whilst they were eager to give out the wrong impression they had taken at first from the O'Connor report, they were not at all anxious to give the other side of the question when the Davies people gave it to them in the shape of a paid advertisement. In other words, it looked to us as if they were more ambitious to create a sensation and injure one of the best firms in Canada rather than give a fair presentation of the case. Both the press and the public overlooked the services rendered the country by the Davies people exerting themselves and taking the risk of going into the American market and supplying such immense quantities of bacon in an emergency; and after deducting the war taxes, we would doubt very much if the reduction in operating expenses as the result of the increased business would not represent more than the profit left to the Davies people. In other words, if this is the case, they would have rendered this service to the country without any cost whatever. Or to put it another way, if this same volume of business had to be taken care of by four or five separate concerns, we feel quite sure that the total profit made would have been represented in the extra cost of doing the business.

Judging by the press and the public view of the matter, it would appear to be a crime to do a large volume of business notwithstanding the net profit before Government taxes were deducted was only about 3½ per cent.

Yours truly,
DAVIS & FRASER.

Halifax, N.S., Dec. 4, 1917.

# TENDENCY TOWARD HIGHER RATES

### Railroads In All Countries Require Increases—Government Ownership Not Solution.

"The suggestions by Clifford Thorne and others that an increase of freight rates might be avoided by having the Government take over the railroads are rather amusing in view of the increases in rates which have been put into effect or are under serious consideration in other countries where the governments either own the railroads or have practically taken them over during the war," says the *Railway Age Gazette*, commenting editorially on an article from the *Economiste Francais*, which describes the plan recently proposed by the French Government itself for a general 15% increase in rates on the larger systems of France to meet the deficits, for which the government has assumed responsibility, caused by increases in wages, prices of fuel and materials, and expenses of all kinds. The *Gazette* continues:

"The article shows," the *Railway Age Gazette* says, "that these unprecedented rises in operating costs are by no means confined to the United States or even to the United States and France, but that they are the result of conditions in effect in all parts of the world. It also shows that in every case the remedy for this condition proposed or adopted has been the same. In many countries necessary even before the war and since then, the article says, 'the terrible conflict which has overturned economic life not only in the belligerent countries, but in the neutral as well,' has forced an increase in rates in nearly every country which has any considerable railway system.

"In Italy the rates, increased in 1911 and in July, 1914, were raised twice in 1916. In Switzerland passenger fares have been increased and now preparations are being made to follow the same course as to freight rates. In Russia rates have been undergoing increases since 1902 and since the war the government has placed taxes on transportation in such a form as practically to increase the rates. In Holland passenger rates were increased in 1909 and freight rates in 1916. In Norway rates were increased in 1913, 1915 and 1916 and a similar plan has been followed during the last three years. In Austria-Hungary freight rates were recently increased 30% and even in Prussia the minister of railways has submitted to the railway council a proposal for a 10% increase in passenger fares. Canada, Argentina and Denmark are also mentioned as countries where rates have been advanced to offset the increases in expenses. The commissioners of the New South Wales Government railways in their report for the year ended June 30, 1917, ask for a 10% advance in all freight and passenger rates in addition to those already made within the last two years.

"The efforts of the railroads of the United States to increase their revenues by a higher scale of charges cannot be ascribed solely to an inordinate greed for profits. They are subject to a condition which is world wide in its effect and they are seeking to meet that condition in the only way which is open to them, that of seeking permission to do what other kinds of business have done without requiring any permission."

October exports of $542,000,000 reported by the U. S. bureau of foreign and domestic commerce brought the total for the 10 months to $5,149,000,000, an increase of $706,000,000 over the corresponding period in 1916. The October figures exceeded those for September by $86,000,000.

A record for the month of November in the movement of ore from the Lake Superior district was established last month when the cargo carriers on the lakes loaded 7,331,804 tons, according to figures just issued. This is an increase over November a year ago of $616,351 tons.

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# NEWS OF THE BOND MARKETS

## MOVEMENT IN BOND MARKET STILL LIMITED

### Dealers Still Actively Engaged in Cleaning up Business Connected With Victory Loan.

### PRICE QUESTION BOTHERS

**Understood That Government Purposes Taking Steps To Maintain the Price of Victory Bonds by Reserving Subscriptions.**

*There has been some slight revival this week in the regular bond business, though bond dealers are still occupied in winding up the loose ends of the Victory Loan campaign. As pointed out last week, there are always a certain number of people and institutions with money to invest and, while there is a tendency to hold off until after the election, still some sales have been made. It must not be assumed too readily that the Victory Loan has absorbed all the loose cash in the country. In spite of widespread subscriptions, there were doubtless substantial balances retained for investment in higher-yielding securities. More than that, there are not a few institutions which must look for a better return than is afforded by Victory bonds and these will be in the market to level up their interest returns by purchase of seven and eight per cent. bonds. For the moment, however, there is very little movement*

The price question is a stickler. As a matter of fact no one knows just where the market is at. With Anglo-French bonds down around 85 and City of Paris bonds ten points lower still; with yields on such securities mounting to unheard of levels, it is small wonder that the Canadian bond dealer does not know what price to offer for the various issues now coming on the market. Rather than make a mistake and bite off more than he can chew, the average dealer prefers not to bid at all, but to wait and see how his neighbor gets along.

One bond house, rather than be stuck altogether, took the bull by the horns and issued a list showing what bonds it had to sell, asking those interested to make offers for what they required. It is not known just what success was met with but presumably such offers as were received were at a pretty low level.

A few municipal issues are now up for sale by tender, notably city of Windsor yesterday and county of Carleton to-day. It is not expected that more than one or two bids will be submitted in either case. Apart from the difficulty of sizing up the situation and making an effective offer, bond dealers are hampered by the restrictions on loans being imposed by the banks.

**Price Maintenance.**

A good deal of attention is being paid by the bond dealing fraternity to the price question in connection with Victory bonds. There is an almost unanimous opinion that some provision is necessary to insure price maintenance and it is understood that meetings have been held to discuss the situation. THE FINANCIAL POST has already on two occasions pointed out the reasons for holding up the market for these bonds and the fact that the number of subscribers approaches 800,000, or one in ten of the population, make it all the more desirable that those citizens who have put their money into the bonds, many of them making it their initial investment, should be protected.

The Finance Minister has announced that all subscriptions up to one million dollars will be allotted in full but so far no statement has appeared as to what will be done with the larger subscriptions. THE FINANCIAL POST understands that some such arrangement as the following will be worked out. A percentage of the subscriptions in excess of one million dollars will be fully allotted, with a provisional requisition of the whole or a part of the balance, the money to be used as required to buy in such bonds as are offered on the market and which cannot be absorbed through the regular channels.

It may develop, of course, that there will be sufficient demand to keep up the price without the necessity of resorting to artificial means to that end. But in case popular support is lacking it will be a very desirable thing to have these excess funds ready to hold up the market. It is an arrangement that need not and possibly should not be made public. The main thing is to reassure the investing public and convince them that their money is both secure and intact.

**Liability to Taxation.**

Already the question of the liability of Dominion war bonds to municipal taxation has been brought into the courts. R. L. Fraser of Toronto appealed to the Court of Revision against the assessment of the interest on a $100 bond as part of his income. The Court of Revision held that he was liable. An appeal was then taken to the County Judge, who upheld the decision of the Court of Revision. It has been pretty generally assumed that, in spite of the fact that the bonds are declared to be tax-free, this exemption only applies to taxes imposed by the Dominion Government.

### STAMPS SELL WELL.

**U. S. War Savings Stamp Campaign Got Off To Good Start.**

As Canadians will soon be having an opportunity to buy war savings stamps, along lines similar to those being employed in the United States, it is interesting to note how well the campaign across the line has been progressing. It has now been in operation for a couple of weeks. An official despatch from Washington says that the results of the sale so far have been most encouraging. Only a few widely scattered figures were given, but from every section came the declaration that persons of all ages and classes were participating both in the selling and the buying and that the sales were gradually increasing.

The largest total reported, $340,000, came from Frederic W. Allen, director for Greater New York, it being the result of the first two days' sales in the banks alone. Figures on the sales of post offices and other agencies were not available.

From every other part of the north-eastern district came similar encouraging reports. Upper New York workers are rolling up a good early total, thanks in a large measure to the co-operation of the newspapers which are giving much space to the sale. Every mayor in Connecticut now has bought a war-savings stamp and stamp meetings are being largely attended. "Gratifying" was Rhode Island's summary of its sales. Other States in the district reported steady sales with increasing interest.

The middle and north-western stamp districts are out to make the same sort of a good selling record that they did in the last Liberty Loan campaign. Minnesota, which was the scene of a hard Liberty Loan drive, now is hearing from an army of stamp salesmen and saleswomen. Rural route carriers are working particularly hard and the co-operation of rural school teachers and their pupils is being enlisted by that State superintendent of schools. Montana is alive with active workers, many merchants particularly advertising the stamps in their regular advertisements and by window cards. "Ready response to the sale," North Dakota advised.

### ANGLO-FRENCH WEAKNESS.

**International Issue Sells Down to Unusually Low Level.**

The weakness in Anglo-French bonds this week, carrying the issue down to 84¾, has been matter of much comment in financial circles and explanations have been sought on all hands. On the one side the issue is pointed to as a barometer of war conditions and when the price drops it is said to be an indication of unfavorable developments. On the other side the weakness is attributed to a continuance of liquidation by large holders who are anxious to transfer their funds from taxable to tax-free securities. Whichever may be the correct solution, every such drive brings out a good many buying orders in Canada.

### EDMONTON'S FINANCES.

**Mayor Henry Delivers Comprehensive Address at Ratepayers' Meeting.**

A remarkably thorough and explicit statement of the affairs of Edmonton was presented recently by Mayor Henry to the annual meetings of ratepayers of the city. Complete faith in the future of Edmonton was expressed by the Mayor, who is now retiring after three years of service. He believed that the city would come through its financial crisis satisfactorily. Edmonton's Victory Loan subscriptions of $1,250,000 were evidence that there was money left. Business conditions were improving; rents were increasing and general economic conditions were assuming a stable and sound basis.

Mayor Henry's statement will receive more detailed attention in the next issue of THE FINANCIAL POST.

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Canvassers for the Victory Loan in Midland have turned over $1,500 of their $1,904 commissions for the relief of the Halifax sufferers.

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The Canadian Crocker-Wheeler Co., St. Catharines, subscribed to $100,000 of the Victory Bonds.

## WHY LIBERTY 3½'s SELL HIGHER THAN THE FOURS

### Recent Discrepancy in Prices of the Two Issues is Explained.

### CONVERSION PRIVILEGES

**Fours are Subject to Certain Income Taxation and Their Conversion Privileges Are Limited in Extent.**

An apparently anomalous condition has recently developed in connection with the price of Liberty bonds in the United States. The new issue of 4's has declined to 97, with a subsequent rally to 98, while the older issue of 3½'s maintained its market value at about 99. The discrepancy occasioned a good deal of comment and holders have been seeking reasons for it. One of the best explanations is given by Nelson, Cook & Co., Baltimore. This investment house has issued a circular which says,—

It is quite understandable that at the date of the first payment to be made on Liberty 4's there should have been some decline in their market value. This because some purchasers who for sentimental reasons obligated themselves to buy a greater amount of bonds than they could prudently manage to pay for were compelled to sell a portion of their commitments. Naturally in the desire to make the loan as great a success as possible, every one subscribed to as large an amount of bonds as they thought they could handle. There were few new buyers in the market and when pressed for sale the 4's declined.

**Why the Difference?**

This, we think, explains the decline in both the 3½'s and 4's, as the slight liquidation in the 4's dragged down the price of the 3½'s. That the 3½'s did not decline as much as the 4's was due to two causes—there were very few of these bonds offered for sale, and more especially because the 3½'s carried privileges not possessed by the 4's. They are free of all taxes and exchangeable for bonds of any subsequent issue, bearing a higher rate of interest, while the 4's are subject to income taxes if held in greater sums than $5,000, unless an investor should have no other taxable income in which event he might hold as much as $130,000 Liberty 4's upon which he would not have to pay an income tax.

Exemption from taxation is not the only reason why the 3½'s should sell above the 4's.

It was generally supposed that the Liberty 4's carried the same privilege of conversion into a bond of any subsequent issue bearing a higher rate of interest as the 3½'s, but as the Act creating the 4's is now interpreted the 4's can be converted only into the next issue of bonds bearing a higher rate of interest and this privilege must be exercised within six months of the date of the next public offering.

**Provision of the Act.**

The Act of April 24, 1917, creating the 3½% bonds provides that any bonds issued under authority of this Act may be "convertible into bonds bearing a higher rate of interest than the rate at which the same were issued if any subsequent series of bonds shall be issued at a higher rate of interest."

The Act of September 24, 1917, creating the Liberty 4's provides that the bonds shall be subject to such terms and conditions of conversion "as the Secretary of the Treasury from time to time at or before the issuance thereof may prescribe." The specific right of conversion contained in the Act authorizing the 3½'s is omitted in the Act authorizing the 4's, and the conversion privilege is made dependent upon the regulations of the Secretary of the Treasury. What these regulations are was set forth in circulars issued by the Secretary of the Treasury as to terms of sale, etc., when the 4% bonds were offered for subscription.

After stating that the 4's may be converted into bonds, if any, bearing a higher rate of interest, it is declared that the conversion privilege shall terminate after six months from date of issue of a higher interest bearing bond, and further says if the privilege of conversion shall once arise and shall not be exercised within the period prescribed, then such privilege shall terminate as to such bonds, and "shall not arise again though thereafter bonds be issued bearing interest at a higher rate or rates than 4% per annum."

**3½'s Have Special Privilege.**

It will be noted that the Liberty 4's may be converted into bonds of the next issue should such bonds bear a higher rate of interest, provided they are converted within six months from the date of such new issue, but if not converted in the prescribed time they lose the right of conversion, while the 3½'s may be held indefinitely and may be convertible into bonds of any subsequent issue.

We never have approved of the policy of the Government taxing its own bonds and think it a mistake to do so. Such a policy reflects upon the salability and market value of Government bonds and brings them in competition with State and municipal bonds, which are free of all income taxes, but the right of conversion into a bond bearing a higher rate of interest if such should be issued seems not only desirable but essential to the stability of the market value for Government bonds.

### U. S. DYE EXPORTS.

**Shipments Increase Despite Expansion of Domestic Market.**

Notwithstanding the constantly increasing demands of the domestic market and the handicap caused by munition manufacturers drawing more and more largely on the available supply of toluol and other coal-tar derivatives vitally essential as raw material for the dyestuff industry, United States exports of aniline colors during September show a gain over the preceding month of $66,800, or 21.8 per cent. according to a statement issued by the Bureau of Foreign and Domestic Commerce of the Department of Commerce. September exports by customs districts indicate that $261,454, or over two-thirds the total value of all aniline colors shipped abroad, passed through New York; $47,913 through the Massachusetts district, $6.515 through west cost districts, $1,630 across our Mexican border, and the remainder through districts adjacent to Canada.

### GOVERNMENT CAPITAL.

**To Be Used in Interests of Bethlehem Steel Co.**

Washington reports that the request made last week by representatives of the Bethlehem Steel Company for advances on Government contracts will be acceded to, and that it will supply Bethlehem with necessary liquid funds to handle its enormous volume of business, now placed at close to $600,000,000. Bethlehem, it is learned, has increased its working capital $35,000,000 since the first of the year. It is carrying a necessarily large inventory account, and its expenditures for construction and for munitions for the United States Government are large and on an increasing scale.

---

The Merchants' Bank have let the contract for a $60,000 stone building to be erected in Galt.

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Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of

**Ten per cent. per annum**

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

**Wednesday, the Second Day of January**

next, to Shareholders of record at the close of business on the Fifteenth day of December.

By order of the Board,
GEO. H. SMITH,
Secretary.
Toronto, November 28th, 1917.

# FIELD OF MUNICIPAL FINANCE

## IT HAS COME TO STAY SAYS C. A. DUNNING

### Direct Taxation in Saskatchewan Will be a Permanent Measure.

### ACT BEING CHANGED

**Patriotic Revenues Act, Imposed for Patriotic Purposes, to be Superseded by a Public Revenues Act of Broader Scope.**

An intimation to the people of Saskatchewan that direct taxation had come to stay was given by Hon. C. A. Dunning, provincial treasurer, in introducing in the Legislature a resolution providing for the enactment of a Public Revenues Act to take the place of the Patriotic Revenues Act.

"The Patriotic Revenues Act became the first direct tax for governmental purposes in this province," he said. "It will be continued in this act. Our people may as well get accustomed to the idea that direct taxation for provincial purposes has come in Saskatchewan and I believe has come to stay. I believe our people are ready to meet it. For the present at any rate all the revenues derived from this tax and more also will be needed for patriotic purposes in connection with the war. We will have to spend more money this year than has been received from the Patriotic Revenues Act. As time goes on we shall be able to see the necessity for a greater or lesser amount. In this bill the principle of direct taxation for provincial purposes is established.

**Another Change.**

"Under the Patriotic Revenues Act each municipality was made liable for the total amount of the tax within its borders, to the government. Under this act that principle is abandoned and the municipalities are asked to pay to the provincial treasurer only as they receive the money from the ratepayers. In this respect it is placed on the same basis as the Supplementary Revenues Act. A commission to municipalities is provided for the work they do in this connection. Apart from these features the act is the same as it was under the old name of the Patriotic Revenues Act."

The resolution provides certain annual levies by way of special rate for the purposes of the act and in part reads as follows:

In each municipality there shall be levied annually by a special rate for the purposes of this act an amount equal to two mills in the dollar on the total value of all the rateable property in the municipality.

In each local improvement district there shall be levied annually for the same purpose, subject to the exceptions hereinafter contained, a special rate of one cent per acre upon every owner or occupant of land situate therein, and upon such land.

The rate to be levied in respect of crown lands helds under lease from the Government of Canada for grazing purposes shall be one-fifth of one cent per acre.

No owner or occupant shall be assessed for a less sum than fifty cents.

The minister of municipal affairs shall cause to be paid to the provincial treasurer the amount of the special rate so levied and collected annually in such manner as may be desired by the provincial treasurer.

The taxes levied for the purposes of this act shall be in addition to the taxes levied for ordinary municipal purposes, and notwithstanding anything in the respective municipal acts, such taxes shall not be computed in estimating the amount which the municipality is authorized to levy to meet the current expenditure for the year.

The amounts collected on account of the public revenues tax shall be forwarded to the provincial treasurer within ten days after the end of each calendar month, and the provincial treasurer shall allow to a municipality out of the moneys received by him such remuneration for services rendered as shall be equivalent to five per centum of the total amount collected by it after this act comes into force.

In the event of any municipality neglecting or refusing to transmit to the provincial treasurer any report, statement or account on or before the day appointed for the transmission thereof, such municipality for every such neglect or refusal shall be liable to a penalty of $1 for every day during which the default continues. Such penalty may be deducted from any remuneration that may be due the municipality under section 12 of this act.

All moneys received by the provincial treasurer from municipalities or local improvement districts under this act shall form part of the consolidated fund of the province.

All assessments made and rates imposed under The Patriotic Revenue Act shall be deemed to have been made and imposed for the purposes of this act, and all moneys remaining due and unpaid under the said act shall be collectable under and for the purposes of this act, and all moneys collected by municipalities and local improvement districts under the said act but not paid over shall be paid over to be disposed of under this act, and all moneys at credit of the patriotic revenues account shall be placed to the credit of the public revenues account.

### MONTREAL'S FINANCES.

**Estimated Deficit for Next Year Runs Into Millions.**

The estimated deficit for Montreal city for 1918 of $2,772,302, is not due to any moderate increases in revenue of late years. In 1910 the total revenue of the city was $6,615,701; the estimate for 1918 is $13,600,657 under the following heads:

| | |
|---|---|
| Realty and Special taxes.... | $9,270,665 |
| Water tax ............ | 1,056,471 |
| Business tax ............ | 1,024,621 |
| Revenue available in Oct.... | 1,483,034 |
| Tramway percentage ....... | 498,660 |
| Available in December..... | 267,606 |

The two heaviest items are for salaries, $4,103,779, and interest charges, $5,000,000. In the last seven years salaries have grown from $2,615,520, as follows:

| | |
|---|---|
| 1912 .................. | $2,615,520 |
| 1913 .................. | 3,071,081 |
| 1914 .................. | 3,607,966 |
| 1915 .................. | 3,975,962 |
| 1916 .................. | 4,507,107 |
| 1917 .................. | 4,035,050 |
| 1918 .................. | 4,103,779 |

The interest charges are explained partly by the debt figures of $102,000,000. For 1918 an additional sum of $710,943 is asked for interest charges and sinking funds—to be devoted to special loans that must be borrowed in 1918.

### CITY WILL PAY.

**Superannuations of Teachers to be Met Out of Taxes.**

The task of meeting the payments due to Toronto's superannuated school teachers will in future have to be undertaken by the city. Heretofore the teachers had their own superannuation fund, to which each contributed, but this has now been superseded by a government scheme. The corporation will be required to levy and collect annually a sufficient amount to meet all charges.

The total amount paid into the fund by the teachers was $146,475 and this is now to be restored to them. There is only $72,366 on hand and of this sum $5,500 is due next month to fifty superannuated teachers. This leaves only $67,366 to divide among the other contributors. The balance of $79,475 will have to be made up by the ratepayers.

### REGINA'S PROGRESS.

**City's Expenditures Are Being Kept Well Within the Estimates.**

Ratepayers of Regina, as well as holders of the securities of that city, need have no cause to worry over its affairs, at least as disclosed in the interim statement for the ten months, ended Oct. 31, 1917. Expenditures are shown to be running well within the estimates and, while revenues are not quite up to expectations, special efforts will doubtless have been made during November and December to make up the deficiency. The public utilities have also been somewhat backward but here again the falling off has not been so serious as to cause alarm.

Estimated expenditures for the ten months amounted to $572.844, while actual expenditures, including an unexpected deficit of $8,334 in the utilities account, did not exceed $563,662 Had the utilities contributed a surplus, instead of a deficit, actual expenditures would have been under the estimate by a margin of $17.500. Revenues were estimated at $572,489, including a tax levy of $485.142, but actually amounted only to $559.105, the shortage being due to the failure of the utilities to provide the estimated surplus of $14,308.

Turning to the various utilities, it is to be noted that the waterworks was the only service to contribute a surplus, both the street railway and electric light and power departments showing losses. The latter were offset, however, by the electric light and power taxes, which much more than covered the loss in that department and a property sales contribution of $17,145. so that the net deficit was only $8,334.

Regina's bonded debt, which stood at $10,566,520 at December 31, 1916, has been reduced during the year to $10,542,605, by the redemption of a $15,000 block of bonds with sinking fund moneys and the payment of instalment bonds amounting to $8,914. There are unsold debentures on hand amounting to $53,084.

### TORONTO'S EXPERIENCE.

**How Collection of Taxes Has Worked Out This Year.**

Toronto has done well in the collection of taxes this year. Of a total levy of $16,929,321, 82.56% or $13,977,244 has so far been taken in by the city treasurer. This year for the first time the business and income tax was collected with the first instalment of general taxes, with the result that 87.04% of the levy has been received. The amount collected this year on account of arrears was $2,855,767. Despite efforts to secure the arrears of former years a large amount is still outstanding. This aggregates $4,379,314, of which $2,952,077 is 1917 arrears; $1,131,540 1916 arrears and $295,697 arrears in 1915 and previous years.

## Money By-laws

**Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.**

### TENDERS WANTED.

**Dec. 15, Brooke Township.**—$4,243, five per cent., five-instalment drainage debentures and $10,657 five per cent., ten-instalment telephone debentures, dated December 15, 1917, of the Township of Brooke. W. J. Wood, Township Clerk, Brooke, Ont.

**Dec. 15, Carleton County.**—$60,000 5½ per cent. debentures, dated Sept. 20, 1917, each debenture to be for $3,739.22, which includes interest, or for less amount than $3,739.22 at the option of the purchaser. Chas. Macnab, County Clerk, Ottawa.

### BY-LAWS PASSED OR DEFEATED.

**Fort William.**—$12,500 to make the first payment to the government of one-half the cost of the new park of 270 acres on the Indian Mission. Passed by Council, December 4.

**Brockville.**—$440 for granolithic sidewalk; $2,614 for sewers; $14,426 for local improvements. Passed by Council, November 24.

### BY-LAWS TO BE VOTED ON.

**Dec. 18, Bield Con. School District, Man.**—$3,000 for improving school buildings, etc. Hy. Jansund, sec.-treas., R.M. of Hilsburg, Bield, Man.

**Dec. 18, R.M. of Portage la Prairie, Man.**—$139,610 for construction and improvement of a system of roads and $32,350 for construction of certain bridges. D. McCowan, sec.-treas., R.M. of Portage la Prairie, Portage la Prairie, Man.

**Dec. 18, R.M. of Wallace, Man.**—$48,000 for construction of certain highways and roads. William Whiteford, sec.-treas., R. M. of Wallace, Virden, Man.

**Dec. 18, Foxwarren Con. School District, Man.**—$13,000 for completing and finishing new school building. Percy Highfield, village clerk, Foxwarren, Man.

**Jan. 1, St. Catharines.**—$26,500 to pay for the cost of laying out portion of the new cemetery lands belonging to the corporation. J. Albert Pay, city clerk.

**Jan. 1, Fort William.**—$225,000 to take care of the deficits in connection with the city's electric street railway. A. McNaughton, city clerk.

**Jan. 7, Orillia Township.**—$5,000 for part maintenance of the Orillia Soldiers' Memorial Hospital.

**Jan. 7, Alliston.**—$6,000 for electrifying the pumping plant of the town of Alliston. J. E. Addis, town clerk.

**Dec. 18, R.M. of Sifton, Man.**—$59,800 to construct a system of highways and roadways within the municipality, under the terms of the Good Roads Act, 1914.

**Jan. 1, Galt.**—$18,558 to provide money for extensions to the waterworks system. Joseph McCartney, clerk.

### DEBENTURE NOTES.

**Simcoe County.**—At the November session of the county council, the following guarantees of municipal debentures were given: Midland, $25,000 for loan to Midland Drydock Co.; $25,000 to pay for indebtedness incurred for patriotic purposes. Collingwood, $13,000 for patriotic fund; $9,000 debentures 1899; $3,500 for cement walks and gutters. Creemore, $4,600 to pay balance of school building and hydro construction.

**Smith's Falls.**—At the regular council meeting on December 3, it was decided that the Finance Committee should dispose of $12,000 debentures to pay for the completion and equipment of the Elgin School.

**North Vancouver.**—The district of North Vancouver council on Nov. 29 passed a resolution proposed by Coun. Maclurg authorizing the clerk to prepare a general loan by-law to provide the sum of $35,000 for waterworks purposes. The money, which in the event of this by-law passing at the general elections in January, is intended for the establishment of a waterworks system east of Seymour river. The principal need for such a system is to provide a steady and sure supply to the two large industries at Roche Point—the Canadian Robert Dollar Company and the Vancouver Cedar Mills, Ltd.

### SASKATCHEWAN.

The following is a list of authorizations granted by the Local Government Board from November 26th to 30th:—

**School Districts.**—Kandahar, $1,000; Bausley, $2,000.

**Rural Telephone Companies.**—South Ceylon, $400; Storthocks, $2,400; Marine, $2,600; North Ceylon, $1,300; North Webb, $2,100; Ruddell, $15,300.

The following is a list of debentures sold from November 26th to 30th:—

**School District.**—Middagh, $1,800, J. H. Kern, Moose Jaw.

**Rural Telephone Companies.**—Engelfeld, $44,700, S. L. Ross, Regina; Shackleton, $800, Indian Head Sinking Fund; Lockwood, $1,500, Mrs. Mary Hislop, Lockwood; East Lockwood, $500, Mrs. Mary Hislop, Lockwood; Glenavon South, $3,700, Sask. Life Insurance Co.; Long Creek, $3,200, W. D. Craig, Regina; Antelope Lake, $7,800, Nay & James, Regina.

### BOND SALES.

$14,400 Canada Bread at 90; $20,600 War Loan (1925) at 95½ to 95; $8,500 War Loan (1931) at 94¾ to 92; $85,900 War Loan (1937) at 98 to 91¾.

## WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

| Date | Place and Purpose | Purchaser | Rate | Term | Amount | Price | Basis |
|---|---|---|---|---|---|---|---|
| Nov. 30 | —Middagh S.D., Sask. ............ | J. H. Kern, Moose Jaw ............ | .... | ..... | $1,800 | .... | .... |
| " 30 | —Rural Telephone Co.'s, Sask. ...... | Various (see above) ............ | 7% | 15-ins. | 62,200 | .... | .... |

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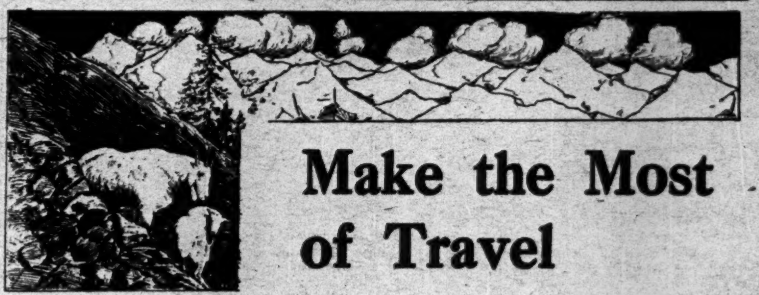

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CANADIAN NORTHERN RAILW

### BURGLARY RATES UP.

**Reflect Higher Value of Goods and Greater Number of Thefts.**

Burglary insurance rates have been considerably increased as the result of a recent decision of the Burglary Insurance Underwriters' Association. The increased rates applying to mercantile risks show an advance of approximately 10 per cent. for the different groups, but in addition thereto many of the classifications have been moved up to higher rated groups than heretofore, with the result that the actual increase in some instances amounts to 80 per cent. as in the case of classes of risks which were in group I, the old rate for which was $15 per $1,000, which are transferred to group 3, where the new rate is $27 per $1,000. In many instances some of the classes have been advanced one group, which with the advance in the rates for the groups, means total advance in rate of premium of about 40 to 50 per cent.

The new rates are to become effective as regards new risks written on January 1, and as regards renewals of existing policies on February 1. The increase not only reflects the higher values of goods insured and therefore greater exposure, but is also to in some measure equalize the steadily increasing number of robberies in mercantile establishments with little or no appreciable percentage of recovery.

### THE AUTO HAZARD.

**Death Rate From Accidents Growing at Alarming Rate.**

The increasing seriousness of the automobile hazard was emphasized at the annual meeting of the Association of Life Insurance Presidents of America last week by Lee K. Frankel, Ph.D., third vice-president of the Metropolitan Life Insurance Co. What this increasing incidence of automobile fatalities meant to life insurance companies, he said, was indicated by the industrial experience of the company with which he was associated. In an exposure of more than ten million lives annually, the death rate from automobile accidents had more than trebled since 1911. In that year the death rate from this cause was 2.3 per hundred thousand; in 1916 it had increased to 7.4 per hundred thousand. During this six-year period, the rate for each year was higher than the rate for the preceding year. The rate for 1916 showed an increase of more than 37% over 1915, while figures for the first ten months of 1917 indicated a considerable increase over the totals of 1916.

"These figures," declared Mr Frankel," "do not reflect an isolated experience but are representative of what is going on in the country generally, especially in the urban centers of population."

## LIVING UNDER THE SHADOW OF WAR

In these dark and uncertain days, only the very best judgment should be employed in selecting investments. Sobered by the lessons of the war, sensible men and women have relinquished schemes to get rich quick by means of speculative securities and they now prefer safe investments yielding moderate interest to questionable ones with high rates. Beneficiaries under insurance policies are often perplexed as to how to invest their monies safely and profitably but the continuous monthly income policy, payable in monthly instalments throughout life, and for twenty years certain, solves the problem completely. It constitutes an automatic safe investment and is issued by

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# REAL ESTATE AND INSURANCE

## FALLING OFF IN BUILDING IS CONTINUING

### November Reports From 35 Cities Show Slump of Nearly Two Millions.

### MONTREAL'S LARGE LOSS

**For the Eleven Months Canada's Total Experiences a Drop of Over a Million Dollars, the West Leading in Declines.**

For the month of November, building in Canada again shows a decline from the 1916 level. Returns from twenty-five eastern and ten western cities, comprising all the important Canadian centres of population except Calgary and Medicine Hat, produce a total of $2,040,413, which compares with $3,867,817 for the same points in November, 1916. This means a drop of $1,827,404 and added to the difference for the first ten months of the year gives an adverse showing of $1,150,066 for the eleven months.

The principal losses are registered by Montreal and Toronto, which between them experienced a falling off of $1,176,000, Montreal contributing $646,175 and Toronto $530,007. Quebec with $287,930, Windsor with $98,645 and Halifax with $64,277 were other eastern cities which showed large losses. In the west, Winnipeg was behind $146,800 and Vancouver $65,620.

**Gains All Small.**

The gains, on the other hand, were all small, the largest being recorded by Saskatoon, where building increased from $4 810 to $62.100. Moose Jaw came next with an advance of $27,900. In the east the best showing was made by Sydney, where the gain amounted to $24,465.

For the eleven months, the showing of the 25 eastern cities is not at all bad. Permits issued amounted to over $27,000,000 and the decline from 1916 only amounts to some $152,000, which is a very small percentage. With reasonable activity during the present month, this shortage should be readily made up. It will hardly be possible for the west, however, to overtake the decline shown by the ten cities reporting. This is now very close to a million dollars.

**Montreal's Decline.**

Building permits for the city of Montreal continue to show still heavier declines as the year nears the end, and would appear to justify the feeling in municipal circles that there is not likely to be any increase until the raw material market improves. The decrease in the figures for Montreal for November is very pronounced, last year's total falling from $865,530 to $219.355, or more than 75 per cent. The number of permits dropped from 131 to 85, so that the average is far smaller this year. One reason for the decided decline is undoubtedly the colder weather of November this year.

For the year to date the total value of the permits issued is about $700,000 below the corresponding figures for last year, so that most of the decline has been due to the drop in November.

### A BUILDING AS A GIFT.

**$60,000 Structure in Victoria Presented to the Red Cross.**

The Hinton Building, located at 911 Government Street, in the heart of the business section of Victoria, B.C., has been presented by ex-Lieutenant-Governor Paterson of British Columbia to the local Red Cross Society. It is the most valuable single gift yet made to the society. The property, on which all taxes and other payments have been met, was valued in 1913 at $60,000 and the committee expects to realize close to $40,000 on its sale.

The Hinton Building occupies city lot 1268 and has a twenty-two foot frontage on Government Street and similar frontage on Gordon Street, with a depth of 132 feet. It is a two-story structure of brick and stone, in good condition in every respect and ready for immediate occupation. For the past few weeks it has been vacant.

### HOUSES INTO APARTMENTS.

**Movement in Montreal to Convert Residences into Apartment Houses.**

As pointed out to THE FINANCIAL POST by City Architect Alcide Chausse, there is a pronounced movement in Montreal in the direction of changing over many of the larger houses into apartments. This is particularly so in the near-center of the city, along Sherbrooke, Mansfield, and neighboring streets. There are a large number of houses running from 10, 12, 14, 16 rooms and up, and as high as 4½ storeys. These are among the older residential properties, and the owners have died or moved into more modern flats, where the servant question is not so acute. A number of applications for permits are going through for altering these properties. During the past fall there have been many such properties offered for rental, while there has been a pronounced dearth of medium sized dwellings. The rental of these large homes, however, fell flat.

The city architect is endeavoring to secure a modification of the building by-laws in some sections of the city where there are factories located in large numbers, which will permit of the erection of more moderate priced houses. At present there is little in sight below $25 a month. M Chausse is advocating the removal of restrictions so far as to make it possible to erect two-apartment houses at a cost of $2.500 to $3.000 each, that could permit one of the apartments renting for about $15 a month, and thus leave a very moderate rental for the owner. At present they must be brick-encased, whereas Mr. Chausse believes that if they are isolated fire requirements will be satisfied with a stucco and wood construction, and slate or metal roof.

He is strongly of the opinion that no relief in the way of lower prices of building materials will come in the near future, and that something must be done with the regulations covering the use of the lower priced materials in the meantime.

---

The central council of ratepayers association of Toronto has deprecated the sale of Ashbridge's Bay properties, as well as disapproved of the method of sale, advocating sale by tender.

## BUILDING PERMITS MONTH OF NOVEMBER

**Eastern Cities.**

| | Nov., 1917 | Nov., 1916 | Change. | 11 months 1917. | 11 months 1916. | Change. |
|---|---|---|---|---|---|---|
| MARITIMES— | | | | | | |
| Halifax | $ 85,208 | $ 99,485 | — $ 64,277 | $ 831,152 | $ 1,174,509 | — $ 343,357 |
| St. John | 8,500 | 15,000 | — 6,500 | 529,750 | 462,350 | + 67,400 |
| Sydney | 46,165 | 21,700 | + 24,465 | 405,765 | 119,905 | + 285,860 |
| QUEBEC— | | | | | | |
| Montreal | 219,355 | 865,530 | — $ 646,175 | $ 4,299,053 | $ 5,005,464 | — $ 706,411 |
| Maisonneuve | 1,200 | 15,550 | — 14,350 | 1,114,200 | 134,340 | + 979,860 |
| Quebec | 495,945 | 783,875 | — 287,930 | 2,450,946 | 2,823,688 | — 372,742 |
| Westmount | 1,500 | 35,200 | — 33,700 | 137,990 | 537,690 | — 399,700 |
| ONTARIO— | | | | | | |
| Brantford | 25,335 | 9,945 | + $ 15,390 | $ 137,280 | $ 276,942 | — $ 139,662 |
| Chatham | 6,625 | 17,600 | — 10,975 | 356,897 | 292,799 | + 64,098 |
| Galt | 30,930 | 22,700 | + 8,230 | 136,355 | 237,795 | — 101,440 |
| Hamilton | 153,460 | 178,920 | — 25,460 | 2,707,415 | 2,293,381 | + 414,034 |
| Kingston | 4,247 | 10,053 | — 5,806 | 141,098 | 181,451 | — 40,353 |
| London | 85,010 | 64,850 | + 20,160 | 803.300 | 907,420 | — 104,120 |
| North Bay | 400 | 200 | + 200 | 2,872 | 15,870 | — 12,998 |
| Ottawa | 104,200 | 150,575 | — 46,375 | 1,029,917 | 1,487,275 | — 457,358 |
| Port Arthur | 5,932 | 3,454 | + 2,478 | 1,342,434 | 1,558,823 | — 216,389 |
| St. Catharines | 56,448 | 57,470 | — 1,022 | 514,553 | 582,570 | — 68,017 |
| Peterborough | 7,235 | 5,040 | + 2,195 | 835,168 | 127,015 | + 708,153 |
| Stratford | 6,060 | 6,485 | — 425 | 215,548 | 190,504 | + 25,044 |
| Toronto | 418,019 | 948,026 | — 530,007 | 6,793,098 | 6,452,823 | + 340,275 |
| Welland | 14,150 | 15,237 | — 1,087 | 240,334 | 191,362 | + 48,972 |
| Windsor | 71,405 | 170,050 | — 98,645 | 1,151,999 | 1,420,930 | — 268,931 |
| Woodstock | 450 | 630 | — 180 | 90,985 | 86,618 | + 4,367 |
| Ft. William | 11,100 | 4,225 | + 6,875 | 645,915 | 399,025 | + 246,890 |
| Kitchener | 11,765 | 7,710 | + 4,055 | 205,352 | 311,013 | — 105,661 |
| Total 25 E. cities | $1,820,648 | $3,509,510 | — $1,688,862 | $27,119,376 | $27,271,562 | — $ 152,186 |
| **Western Cities.** | | | | | | |
| MANITOBA— | | | | | | |
| Winnipeg | $ 46,600 | $ 193,400 | — $ 146,800 | $ 2,202,850 | $ 2,478,400 | — $ 275,550 |
| ALBERTA— | | | | | | |
| Edmonton | $ 6,600 | $ 34,300 | — $ 27,700 | $ 310,800 | $ 208,140 | + $ 102,660 |
| Lethbridge | 13,930 | 2,007 | + 11,923 | 94,628 | 79,227 | + 15,401 |
| B. COLUMBIA— | | | | | | |
| N. Westminster | $ 4,550 | $ 4,725 | — $ 175 | $ 79,915 | $ 83,607 | — $ 3,692 |
| Vancouver | 35,075 | 100,695 | — 65,620 | 711,960 | 2,126,524 | — 1,414,564 |
| Victoria | 3,720 | 7,075 | — 3,355 | 93,575 | 96,390 | — 2,815 |
| SASKATCHEWAN— | | | | | | |
| Moose Jaw | $ 33,950 | $ 6,050 | + $ 27,900 | $ 294,660 | $ 318,820 | — $ 24,160 |
| Prince Albert | ..... | 525 | — 525 | 37,300 | 66,855 | — 29,555 |
| Regina | 13,240 | 4,720 | + 8,520 | 409,410 | 222,470 | + 186,940 |
| Saskatoon | 62,100 | 4,810 | + 57,290 | 578,005 | 130,550 | + 447,455 |
| Total 10 W. cities | $ 219,765 | $ 358,307 | — $ 138,543 | $ 4,818,105 | $ 5,810,983 | — $ 997,880 |
| Gr. to 35 cities | $2,040,413 | $3,867,817 | — $1,827,404 | $31,932,479 | $33,082,545 | — $1,150,066 |

## ACCIDENT AND AUTO POLICIES STANDARDIZED

### One Result of Conference of Superintendents of Insurance at Winnipeg.

### THEIR FIRST CONVENTION

**Reciprocal Arrangements Are to be Made Regarding Agents' Certificate of Authority in Different Provinces.**

The first conference of the provincial superintendents of insurance of the Dominion was held last week in Winnipeg, being attended by A. E. Ham, Manitoba; A. E. Fisher, Saskatchewan; R. L. Nicholson, Alberta; H. G. Garrett, British Columbia; and E. E. Duckworth, Quebec. The managers of a large number of insurance companies were also present. Addresses of welcome were delivered by Sir James Aikins, Lieutenant-Governor of Manitoba, and president of the Canadian Bar Association; Hon. Edward Brown, Provincial Treasurer of Manitoba, and Mayor Deacon of Winnipeg.

The proceedings on Thursday included an address by A. E. Fisher, superintendent of insurance for Saskatchewan, on "The Standardization of Health and Accident Contracts." H. G. Garrett, superintendent for British Columbia, dealt with "Provincial Rights and Dominion Laws," and S. R. Tarr, with "Provincial Laws and Admitted Assets."

At the Friday morning session Mr. Brewster, of the Saskatchewan adjustment bureau, read a paper entitled, "The Automobile Policy," explaining the difficulties under which the insurance companies labor, and the dangerous position in which the public are placed, by the varying and contradictory laws of the various provinces.

**Preferred Beneficiaries.**

C. C. Ferguson, general manager of the Great West Life Assurance Company, gave a most important address on the subject of "Preferred Beneficiaries." This is a subject which concerns the public generally and about which comparatively little is known, and it provoked some interesting discussions upon the position of men married, for example, in Quebec and now resident in Manitoba as to the disposition of their insurance and property. How does the law stand under those conditions? Would the property be divided amongst the survivors by Quebec law or would it be subject to Manitoba law? This, and many other similar questions, were subjected to expert views but there seems to be considerable doubt on the matter. This will serve to show the public that they are peculiarly interested in the questions being debated by the provincial superintendents.

The afternoon session was taken up by a paper by R. L. Nicholson, deputy superintendent of insurance for Alberta on "Uniformity of Department Statements and Investments of Provincial Companies." It is certain that uniformity in these two matters will be secured at an early date by the action taken as a result of this convention.

Business accomplished was an agreement with the accident insurance companies in standard policy conditions for accident policies and standard conditions for fire policies in connection with automobile insurance.

**Agents' Certificates.**

On Saturday morning the convention concluded its labors by making reciprocal arrangements relative to agents' certificates of authority. The provincial legislation in this respect has not, so far, been as uniform as is desirable and here again it is probable that, as a result of this convention, an agent licensed by any one province will be able to transact business in any other province without being subject to arrest, as has happened several times in the past.

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The Ontario portion of the late Sir William Van Horne's estate is made up of $833 due as director's fees from the Canada Northwest Land Company; 281 Brazilian Traction, $14,893; 250 Barcelona Traction, $2,105; 250 Canada Northwest Land Company, $11,692; 600 Mexican Northwestern Railway, $1,680; 210 Toronto Ferry, preferred, $8,400; 576 Toronto Ferry, common, no market value, and 500 Mexican Tramways, $5,000.

---

The Hamilton Harbor Board is working on an extensive scheme for the development of Hamilton harbor and the work is to be pushed early in the new year.

**CANADIAN ORDER OF CHOSEN FRIENDS**
HEAD OFFICE HAMILTON, CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor. W. F. Montague, Grand Recorder.
W. F. Campbell, Grand Organizer. J. H. Bell, M.D., Grand Medical Ex.
HAMILTON - ONTARIO

**Western Assurance Company**
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
*Incorporated 1851*
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - - - $ 5,000,000.00
Losses paid since organization over - - - - - - - $66,000,000.00
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, John Aird, Robert Bickerdike, M.P. (Montreal), Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. A. Robert (Montreal), E. R. Wood.

**British America Assurance Co.**
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P. (Montreal), John Aird, Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, E. A. Robert (Montreal), E. R. Wood.
Assets, Over - - - - - - $ 2,700,000.00
Losses Paid Since Organization, Over - - - - - - - - $40,000,000.00

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by placing a Monthly Income Policy in

**The Dominion Life Assurance Company**

*It guarantees your wages after death.*

Head Office, - Waterloo, Ont.

## To Guard the Home

At the root of all true prosperity lies the security of the home. There can be no real sense of well-being without the certain assurance that loved ones will be well provided for when the breadwinner is taken away from them.

To guard the home and home-folk is the province of life insurance. There is no other way so sure, and under a Great-West Policy the way is altogether easy. Plans are available to meet every need and circumstance. The cost is low, and this cost is made still lower by the high profit returns paid to policyholders.

Let us explain the best Policy for YOUR needs. State age and ask for the leaflet "OUR SAVINGS."

**The Great-West Life Assurance Company**
Dept. "G."
Head Office - Winnipeg

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COWAN ST. CLAIR IS A PHYSICAL CULTURE EXPERT whose system, practised for over three years in Toronto, has given health, strength and energy to a number of Toronto's leading business men. Abundant testimonials from patrons and the Medical Profession.

# Is a United Quebec to Rule All Canada?

**This, the most tremendous question in Canada's history, is to be *answered Monday!***

**Our answer involves Canada's honour, her freedom and her future.**

**Old-time party questions are being advanced to obscure the gravest issue ever placed before a nation. Canada is in real danger. The clouds that obscure her vision must be brushed aside so that the great issue stands forth clear and distinct.**

## "Is a United Quebec to Rule All Canada?"

*To-day, in our national crisis, Quebec alone among all the provinces stands more united than ever before. She knows what she wants:*

*(1) Withdrawal from the war.*
*(2) Bilingual schools everywhere.*
*(3) Weakening of the ties of British connection.*
*(4) Political control of Canada.*

From the Ottawa River to Labrador and the Gulf, a common purpose actuates Quebece in her determination to profit by the factional divisions of Canada and to impose her will upon all the people of Canada.

Within the last few weeks, Quebec has mobilized all her forces to dominate Canada under the unified leadership of Bourassa and Laurier. Canada knows that these two men in their earlier days were personal friends and political associates. Canada knows how, in recent times, they gradually drew apart—until in 1911 Bourassa opposed Laurier and helped to bring about his defeat, at the polls. Canada knows that from that time forward, until a few weeks ago, the breach between them steadily widened, until envy and hatred, each toward the other became the possession of both. Bourassa and his followers were anathema to Laurier.

*Should not the people of Canada ask themselves, before it is too late, why these two men have suddenly agreed to bury the past, why this sudden embrace each of the other? If we will but let the scales drop from our eyes the answer is obvious. The all-compelling influences of Quebec have combined to force the union of Laurier and Bourassa in the common purpose of French Canadian domination.*

We concede the right of French-Canadians to make common cause of anything they think it is in their interests so to do. This is a free country. But, as the French-Canadians have already combined to assert their views, it is the duty of the hour that we English-speaking Canadians get together and present to Quebec a united front in the defence of our rights. This is imperative.

With sixty solid seats, Quebec is hoping to accomplish her design. Bourassa, the real master and idol of Quebec, is in sight of his goal.

To attain her purpose, Quebec has not scrupled to ignore British traditions and to suppress freedom of speech. So thoroughly organized is her campaign to prevent even the discussion of the war that Unionist candidates are prevented from holding public meetings throughout that Province. The Unionist minority in Quebec are the victims of organized obstruction.

*To be successful in her determination to rule all Canada, Quebec has but to secure a few seats in each of the other Provinces. Quebec leaders now seek to divide the rest of Canada into factions by insidiously bringing into political discussion old-time party questions, to divert the public mind from Quebec, her purpose and her ambitions.*

United in her determination to quit the war, Quebec would compel a divided Canada to do likewise. By union only can the English-speaking people prevent the calamity.

However well-meaning Laurier candidates in Ontario may be, they will be helpless against a united Quebec.

*Apart from the splendid work of the small English-speaking population, Quebec has failed the Red Cross, has failed the Patriotic Fund, has failed in recruiting and has failed in the Victory Loan. Dare we trust our soldiers, their wives, their children, their pensions and their allowances to Quebec, that will neither give, enlist nor invest, and which will resist taxation for the support of our men and their dependents?*

Canada must decide whether she will become a deserter and quit with Russia, or fight to the end for liberty with Belgium. This decision must not be dictated by the only Province which has shirked its obligations throughout the war.

*All Canada knows that Germany has been working through agents, spies and bribes in every country in the world. The latest evidences are the revelations recently made to the world by President Wilson. Do we Canadians think the Kaiser has overlooked Canada? If we do, what a fool's paradise!*

He cannot be upon the side of Union Government. which is pledged to remain in the war.

*Germany benefits by division among her enemies. Upon whom would she look in Canada as furthering her designs? Not Sir Robert Borden, Mr. Rowell and their colleagues in the Union Government. That is certain. But can the same be said with respect to the leaders in the Province of Quebec whose attitude in this war is against Canada's continuation in the war. We regret to be compelled to say these things, but we must not shut our eyes to facts.*

**The Citizens' Union Committee, anxious for the maintenance of British ideals and traditions, views with alarm the menace of French-Canadian domination with its inevitable influence upon the home, the school and the state.**

**We, therefore, call upon all English-speaking men and women to realize that—Canada, divided by political factions and old-time party questions, is at the mercy of a united Quebec. Union Government alone can save Canada from the menace of French-Canadian domination.**

## The Citizens' Union Committee

*A Non-Partisan War-Time Organization to Support Union Government*

J. W. LYON, Guelph, Chairman
NORMAN SOMMERVILLE, Toronto, Vice-Chairman
G. A. WARBURTON, Chairman Executive Committee
ALBERT H. ABBOTT, Secretary
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CANADA'S VICTORY LOAN
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## County of Carleton

### TENDERS FOR DEBENTURES

SEALED tenders addressed to the undersigned will be received up to Saturday, December 13th, 1917, at noon for the purchase of $60,000.00 Debentures to be issued dated the 20th day of September, A.D., 1917, each Debenture to be for $3,739.22, which includes interest at the rate of five and one-half per cent. per annum or for less amount than $3,739.22 at the option of the purchaser, but not to exceed $3,739.22 for principal and interest each year and shall have attached to them coupons for the payment of said interest, accrued interest if any to be returned. The above Debentures are for forty years.

CHAS. MACNAB,
County Clerk.
Ottawa, December 4th, 1917.

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At the recent meeting of the board of the Standard Trust Company at the head office, Winnipeg, the customary dividend of 9 per cent. was declared payable January 2nd.

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# THE SOUTHERN CANADA POWER BRANCHING OUT

## Extending Light and Power Systems South-east of Montreal.

### GROSS EARNINGS TRIPLED

**Heavy Charges for Development Work Keep Net Surplus Down to $47,347—W. C. Hawkins, President.**

Rapid development has been made in connection with the Southern Canada Power Company, during the past year, and along with this the gross earnings have shown an increase from $148,429 last year to $432,634 for the year ending Sept. 30, as reported at the annual meeting this week. The company now supplies light and power to 47 municipalities in the district east of Montreal. Nearly a dozen water powers are controlled and a centralization of power on a large scale is planned for the near future, THE FINANCIAL POST is informed.

Dozens of towns and villages are being linked up, and it is planned to supply power to farmers over a wide area. Eighty-five miles of transmission line is under construction between Sherbrooke, Granby, Cowansville, Bramptonville, Drumondville and other points. Ten stores for the sale of electrical supplies also are in operation, and these will be increased. During the year the Brome Lake Electric Power Co., the Richmond County Electric Railway and the municipal plants of Bromptonville and Granby were acquired.

Profits from operation increased from $74,505 to $206,180, and after paying interest, administration, etc., the net surplus for the year was $47,347, compared with $20,585. This indicates—with interest charges running up from $53,878 last year to $143,975 this year,—that for some time to come outlays for development purposes will absorb most of the heavy increases in gross receipts. The capital stock consists of $240,400 preferred (6 per cent. cumulative, carrying dividends from Jan. 1, 1920) and $3,000,000 common. The net surplus would represent the payment in full of the preferred at 6 per cent. and allow about 1 per cent. on common.

### W. C. Hawkins President.

A change in the management that is regarded as adding strength to the operative part of the company was brought about in the appointment of W. C. Hawkins as president in succession to C. J. McCuaig, who organized the company five years ago and desired to make way for Mr. Hawkins who brings a specialized knowledge into the service of the company.

Associated with Mr. Hawkins in the new directorate is Col. J. R. Moodie, president of the Hamilton Company; James Davidson, president Thos. Davidson Mfg. Co., Montreal; Chas. E. Read, a director of the Riordon Pulp & Paper Co.; George Parent, K.C., of Quebec; and W. H. Miner, president of the Miner Rubber Co. of Granby, Que.

Of the old board the following were re-elected: C. W. Tooke, Syracuse; W. K. Baldwin, Baldwin Mills Que.; H. T. Chalifoux, St. Hyacinthe; F. W. Teele, C. J. McCuaig, A. J. Nesbitt, J. M. Robertson, J. B. Woodyatt and L. C. Haskell. F. W. Teele was re-elected vice-president; J. B. Woodyatt, general manager; and L. C. Haskell, secretary-treasurer.

### The Balance Sheet.

The assets amount to $5,366,628, as compared with $4,625.179 last year, and $4.097,574 in 1915. Of this the properties, water powers, etc., are set down at $5,002,063, including $871,077 as additions during the year. Among the liabilities are stock of $3,240.600; first mortgage bonds of $1.967,500; bond interest matured of $11.352; real estate mortgages of $26.180. There is a balance at credit of profit and loss of $94.851. An item of loans of $116.620 that figured in the 1916 report no longer exists.

## COAL PRODUCTION.

**Consumption Increasing More Rapidly Than Supply.**

BOSTON.—Production of bituminous coal for the first ten months of 1917 increased over 40,800.000 tons, or nearly 10% compared with the corresponding period of 1916. If the October rate of production were maintained for November and December the year's soft coal production would be in excess of 548 000.000 tons.

But record-breaking as this output is, the needs of industry and of navy have expanded at an even faster pace. Production, too, might be further substantially expanded if car and transportation facilities could cope adequately with the situation. This, more than price-fixing or labor shortage, is at the bottom of the difficulty.

Representatives of some of the big bituminous coal companies say that they are getting only about 60% of the supply of cars at the mines adequate to keep production at a maximum. One of them says that his company could get out 40% more coal, granted adequate labor supply, if railroad transportation for the coal were available. In some districts there is said to be sufficient labor, while in others there is undoubtedly a distinct shortage.

But the coal companies produce only as much coal as the transportation lines are able to take care of. Thus if a mine has a capacity for 1,000 tons a day, or 6,000 tons a week, and is getting only 60% enough cars to handle maximum output, it means that the mine can produce only 3,600 tons a week, leaving it idle part of the time.

Coal men in New England think that so far as the shortage here is concerned, preferential shipment of coal over all other commodities, in addition to priority orders as regards locality, should help the situation substantially. Priority orders are not sufficient in themselves, because they do not necessarily mean that coal shipment will be expedited, but simply that New England shall have priority over some other section.

## AN ECHO OF THE CANADIAN AGENCY

**Action in London Courts to Establish Status of A.M. Grenfell as Manager.**

An interesting echo of the affairs of the Canadian agency was recently heard in the London Court, when Powell, Dreyfus & Company, stockbrokers, applied to the Chancery Division for a reversal of the liquidator's rejection of the proof of their claim against the defunct company in connection with certain transactions in Grand Trunk options with A. M. Grenfell who was chairman of the directors and one of the two managing directors of the agency. It appeared that in April, 1914, Mr. Powell, a member of the brokerage firm, saw Mr. Grenfell at the office of the agency and was given an order to purchase £20,000 ordinary stock of the Grand Trunk Railway. That purchase was carried out and the contract was sent to the agency accordingly. Later in the same month Mr. Grenfell rang up Mr. Powell on the telephone and gave a further order to purchase an option on another £100,000 of Trunk stock for July account. The stock was purchased and the contract note sent. Subsequently the account of the stockbrokers went to the agency in the usual form, the transactions referred to being marked "Account Marked No. 2."

When the agency was wound up it turned out that Mr. Grenfell had for some time been engaged in purchasing a large holding in the ordinary shares of the Grand Trunk. In this connection it was established that in December, 1913, the board of the agency declined to accede to a request from Mr. Grenfell that this Grand Trunk deal of his should be taken over as part of the agency business and there was no evidence that the directors of the company subsequently receded from that position. The question, therefore, was whether Mr. Powell was entitled to rely on Mr. Grenfell's authority for the amount of his account which he sent in in response to the two transactions. It appeared fairly clear that the transactions were in fact transactions on Mr. Grenfell's own behalf and he was told that the trustee in Mr. Grenfell's bankruptcy had given up any claim against the agency in respect of the transactions in question.

This point, however, was not relevant to the question under consideration in the opinion of Mr. Justice Astbury, the question being, as between the agency and applicant, whether Mr. Grenfell held out as having authority to enter into these and similar transactions. His Lordship answered the question in the affirmative and decided that the proof of the applicant's claim should be allowed.

## ECONOMY WITH COAL.

**A Nation-wide Campaign in the United States.**

A nation-wide campaign for economy in the use of coal among steam plants will be undertaken by the United States Fuel Administration. The campaign was determined upon following a conference of representatives of the Fuel Administration, the Bureau of Mines, and the American Society of Mechanical Engineers held in New York.

The intention is to provide for an inspection of steam plants and practical demonstrations in scientific firing that will afford higher efficiency and smaller consumption of coal.

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The Home Investment and Savings **Association of Manitoba** has declared the usual dividend rate of 9 per cent., being 2¼ per cent. for the last quarter.

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# $945,272 MADE BY SHERWIN-WILLIAMS CO.

## Paint Company Increased Business in all Departments During Year.

### NO DIVIDEND MOVEMENT

**Growing Surplus Required for Materials and Development of Business—Total Surplus of 45% on Common.**

With increases in sales in all departments of the business, the earnings of the Sherwin-Williams Company of Canada for the year ending August 31 showed a substantial advance over last year, amounting to $945,272, comparing with $846,944, for 1916, a gain of 12 per cent. As was intimated, however, in THE FINANCIAL POST last week, it was decided to make no dividend declaration.

After deductions there remained net earnings of $392,336, or about 10 per cent. on the common stock. The earnings for previous years were: 1916, 10.57%; 1915, 4.36%; 1914, 6.83%; 1913, 8.71% and 1912, 5.67%.

The gross earnings were dealt with as follows: Reserve for depreciation and renewals of plant, $80,745; interest on bonds, $133,092; preferred dividends, $220,132; donations to patriotic funds, employees overseas, and provision for British War Tax, $118,965, leaving balance to surplus account of $392,336. This, added to the surplus at August 31, 1916, of $1,354,361.68, made a total balance at the end of the fiscal year of $1,746,698.37 which represents 45 per cent. of the common stock. In addition there was $100,000 set aside as a special reserve fund, and an accumulated reserve of $555,861 for depreciation and renewals of plant, making a total excess of assets over liabilities of $2,402,560, combined reserves and surplus. The sinking fund now amounts to $124,200. The war taxes increased from $15,337 in 1915 to $49,807 in 1916, and $118,965 this year.

With this increasingly favorable position a study of the assets and liabilities will serve to make clear why the shareholders were agreeable to the directors' policy of withholding dividends on the common still longer.

The inventories showed an increase of $600,000, having risen from $1,820,162 to $2,417,613. This simply means that it requires far more capital to conduct a business to-day, with raw materials so high, than it did a couple of years ago. A record season for the company conserving its liquid resources instead of paying them in dividends is shown by the Australian plant, which handles white lead, and makes paint and varnish. This business is being financed for the most part out of earnings. Like the English plant, this is operated under the name of Lewis Berger & Sons, Limited.

### The Need for Capital.

This need for largely increased capital for carrying on business to-day is common to the most of industrial concerns: if the capital is available, the company is able to hold the ground and develop; if not, it is forced to pass by the opportunities that have been opening up in many lines of industry. It is understood that $3 is required as capital for many departments of paint manufacture where $1 sufficed three or four years ago. It is not surprising, therefore, that the current liabilities have increased from $1,046,688 to $1,906,763 including the sum of $700,111 due to the parent company of Cleveland, as against $510,304 last year, and $123,927 the year before. At the same time current assets have more than kept pace. For the past three years these have been:

The corresponding liabilities, 1915 1916 and 1917, have been: $357,730 $1.066.688, and $1,906,763. The surplus therefore has risen from $2,156,183 in 1915, to $2.320.356 in 1916, and to $2,508.387 in 1917.

The total assets of the company have increased from $12,462,120 to $13.913.850. In the year the net funded debt has been reduced by $48.060 and to-day stands at $2.317.526 Property account has been increased by $388.373, and stands at $9,100 837. The outstanding stock is now $3.287,000 preferred, and $4,000,000 common.

### The Future Outlook.

In his statement to the shareholders, the president, Walter H. Cottingham, notes that the reserve for depreciation now stands at $555 861.82 being increased by $80,745 during the year. "The increase in the current liabilities is due to larger inventories necessitated by a larger turnover and also to higher costs of materials." In referring to the Australian plant that was established at Sydney, the president states that it has been completed and is now in operation. "No returns, however, from this plant were received during the fiscal year. The outlook for satisfactory results from the Australian company is promising." He adds: "Your directors consider the outlook for the present year satisfactory."

There was no change in the Board of Directors.

PRODUCTION
Increased effort and efficiency in labor, more economy and less waste in living, building up capital by harder work and greater savings, will enrich you and your country. The men and women at home must produce more to cover war's waste.
It is easier to make money than to save it. A Savings Account at The Bank of Toronto will help save what your increased effort provides.

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INCORPORATED 1855
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Paid-Up Capital - $5,000,000 Reserve Funds - - $6,508,000
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W. G. Gooderham, President
J. Henderson, Vice-President
William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. S. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler
Thos. F. How, General Manager John R. Lamb, Supt. of Branches
D. C. Grant, Chief Inspector
Bankers.—NEW YORK—National Bank of Commerce. CHICAGO—First National Bank. LONDON, ENG.—London City and Midland Bank, Limited.

THE LONDON CITY & MIDLAND BANK LIMITED
HEAD OFFICE: 5, THREADNEEDLE ST., LONDON, E.C. 2
FOREIGN BRANCH OFFICE: 8, FINCH LANE, LONDON, E.C. 3
($5 = £1.)
Subscribed Capital .... .... $114,739,020
Paid-up Capital.... .... .... $ 23,903,960
Reserve Fund .... .... .... $ 20,000,000
Deposits .... .... .... .... $966,110,435
Cash Reserves .... .... .... $241,454,680
Bills of Exchange .... .... $111,760,185
This Bank has Branches in all the Camps where Canadian Troops are stationed in England.
Sir EDWARD H. HOLDEN, Bart., *Chairman.*

THE BANK OF NOVA SCOTIA
INCORPORATED 1832
CAPITAL, - - $ 6,500,000
RESERVE, - - 12,000,000
TOTAL ASSETS, - 115,000,000
HEAD OFFICE, HALIFAX
BOARD OF DIRECTORS:
John Y. Payzant, President Charles Archibald, Vice-President
G. S. Campbell S. J. Moore W. W. White, M.D.
Hector McInnes J. Walter Allison W. D. Ross.
James Manchester Hon. N. Curry Hon. M. C. Grant
GENERAL MANAGER'S OFFICE, TORONTO
H. A. Richardson, General Manager. J. A. McLeod, Asst. General Manager.
A general banking business transacted. Letters of Credit issued, drafts bought and sold, payable in all parts of the world. Savings Deposits opened by deposit of $1 or over, interest added half yearly.

## FORD AND DODGE.

**Motor King Has Entered an Appeal in Dividend Case.**

The Ford Motor Co. and Henry Ford, its majority stockholder, have appealed to the State Supreme Court from the decision of the Circuit Court in Detroit in the Dodge-Ford suit, ruling that the Ford Co. disburse as dividends more than $19,000,000 which had been kept for extension project fostered by Ford. It is expected the case ultimately will be decided in the U. S. Supreme Court.

## PREPARING THE MERCHANT FOR READJUSTMENT.

Continued from page 9.

of an agricultural country this opportunity to "clean up." High prices, while hard on the consumer, have made the farmers rich and they have given the careful wage-earner more ready money; take advantage of these conditions to get your outstanding accounts paid. I do not think there need be any conflict between merchant and banker in this connection; we are both interested in having the business of the country placed on a sound footing. Any man who has carried on a legitimate business or is doing so now should be able to pay his legitimate debts, and if he is a wise man he will do so. If, on the other hand, he cannot you had better have that inquest now rather than a year from now.

There should be co-operation also between us when a mutual customer meets with misfortune. In such a case we should get together and consult—in fact exchange confidences. However, these cases are always exceptional and should be treated as such.

In my experience the country merchant who neglects his stock neglects his book accounts, and book accounts not collected in season have a strange habit of becoming bad debts.

## UNLISTED SECURITIES.

| | Bid. | Asked |
|---|---|---|
| Abitibi Power, pref...... | 80.00 | 85.0 |
| Atlantic Sugar, pref..... | 28.00 | 30.0 |
| Belding-Paul, pref...... | 73.00 | 79.0 |
| Brompton Pulp ......... | ..... | 89.0 |
| Black Lake, com. ....... | 1.00 | 3.0 |
| Do., pref. ............ | ..... | 4.0 |
| C. P. R. Notes .......... | ..... | 103.0 |
| Carriage Factories, com. | 15.00 | ..... |
| Can. C. & F. Mill....... | ..... | 1.0 |
| Can. Machinery, pref... | 44.00 | 51.0 |
| Dom. Glass, com........ | 23.00 | 28.0 |
| Dom. Permanent Loan.. | 68.00 | 71.0 |
| Dom. Power, pref....... | 90.00 | 96. |
| Eastern Car 6's........ | 90.00 | 96. |
| Ford Motor............ | 140.00 | 160. |
| Home Bank ........... | 62.00 | 66. |
| Inter. Milling, pref...... | ..... | 89. |
| London L. & Sav........ | 95.00 | 115. |
| Macdonald, pref........ | 83.00 | 89. |
| National Drug, 7%..... | 85.00 | ..... |
| North. Crown Bank..... | 60.00 | ..... |
| Peoples Loan .......... | 85.00 | 93. |
| Sovereign Life ......... | 10.00 | 18. |
| Stand. Reliance ($50 par) | 47.50 | 50. |
| Sterling Bank.......... | 80.00 | 90. |
| Sterling Coal, com..... | 8.50 | 10. |
| Do., 6's ............. | 69.50 | 73. |
| Steel & Rad., com. ...... | ..... | 15. |
| Do., pref. ........... | ..... | 60. |
| Toronto Paper, 6's ..... | 85.00 | 90. |
| Trust & Guarantee...... | 88.00 | 97. |
| Universal Steel......... | ..... | 25. |
| Wes. Can. Flour 6's, 1931 | 94.00 | 97. |
| Wes. Can. Power 5's.... | ..... | 35. |